

Graca and Madiba / South Africa's Long Romance

To Mrs. Machel, Life With Mr. Mandela Is All About Independence

By Sally Quinn
Washington Post Service

JOHANNESBURG — She takes her place at the lectern, adjusts the microphone and looks down at the audience. Nelson Mandela sits in the front row. A gentle smile comes over her face.

"Madiba," she says softly, addressing him as "Revered One," as if there were nobody else in the room.

Mr. Mandela, lawyer, freedom fighter, survivor of torture, beatings and 27 years of imprisonment, symbol of resistance to apartheid, world hero and president of South Africa, smiles. His eyes mist, his face lights up, his grin spreads across his face, his shoulders straighten.

Later she will say about his reaction, with a knowing and wistfully laugh: "Yes, yes. He deserves those small things."

Graca Machel is the woman he loves. The woman he will admit has him "blooming like a flower."

She is the woman who rescued him from the terrible loneliness after his breakup with Winnie Mandela soon after he was released from jail. She is the woman everyone in South Africa suspects he will marry, despite her increasingly weaker protestations to the contrary. She is already, in effect, the first lady of South Africa.

She is also a lawyer, widow of the former president of Mozambique, a former freedom fighter, former minister of education in Mozambique and supervisor of last year's UN report on "The Impact of Armed Conflict on Children."

She is 52. He is 79.

Mrs. Machel rarely gives interviews. She knows that though she wants to talk about her work with children, the reporters always want to talk about her relationship with Mr. Mandela. She is right.

In the living room of Mr. Mandela's private home in Johannesburg, Mrs. Machel is in negotiations with six rambunctious boys, aged between 6 and 10. The house is a large white-washed building surrounded by a tall wall with a guardhouse manned by two guards, and Mrs. Machel lives here with Mr. Mandela when she

is in South Africa. Right now the boys are playing video games, and she is trying to persuade them to leave.

"You can go to your grandfather's study," she cajoles. They won't hear of it. All of them protest at once.

Mrs. Machel shrugs, gives up. This formal room has been co-opted and turned into a playroom. The side porch will have to do for the interview.

She kicks off her shoes, curls up her feet under her and grins expectantly. How does she feel about the reverence with which she is generally viewed?

"Please," she begs, "don't compare me with Madiba."

"I'm not like him," she says. "I don't know whether I want to be like him. He's the kind of person who will be history for a long time."

They met for the first time in Mozambique in 1990, shortly after his release from prison. Mr. Mandela had come, at least partly, to see her. Before his death in 1986, President Samora Machel, president of the African National Congress, to look out for her and the children if anything happened to him.

But when Mr. Machel's plane went down under suspicious circumstances, Mr. Tambo, weakened by a stroke (he died in 1993), was unable to give the emotional support he had promised. When Mr. Mandela was freed, Mr. Tambo asked him to play the protective role.

Mrs. Machel went to the airport to greet him. "I wanted to see him set his feet on the soil," she said.

It was there that Mr. Mandela has said he first knew Graca was the one for him. He had skipped past her in the receiving line, not knowing who she was. When he was told, he hurried back and greeted her again. At that



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moment, he has related to friends, it happened.

It was then, she says, that Mr. Mandela "took over the concern" of her and her children from Tambo. "He was not a formal godfather, but after many years, when we started to have this relationship, of course now he is the father of my two children."

Now that they are together the two of them have become almost icons. Mr. Mandela is treated by many as some sort of saint.

"Oh, come on!" she says with a laugh. "He's a human being." But then, growing serious: "There is a myth about him. That he built up. He is a symbol and we need those

symbols, those myths. They help us to move in those directions of the ideal. They push us in our best instincts to try to be role models."

"But when you come to know him, he's a very simple and very humble person. He cares about the little things in life. He's very gentle. He makes sure everyone around him is very comfortable, feels well and strong. He needs to have human touch. It's very normal and touching. He is a mix of greatness that is a symbol and very simple and humble. It's important to be a symbol but he is not a saint. He has weaknesses."

One of them, she says, is that "sometimes he is not very patient in discussions of very important things."

"Once he's made up his mind, he tends to be very stubborn," she said. "He doesn't accept that he's wrong."

She grins and slaps a reporter on the knee in mock anger, complaining that the subject was supposed to be children, not Nelson Mandela.

In fact, she rather likes talking about him, although she seems to think the subject ought to be taboo. But she becomes equally passionate describing her work, particularly with children of war.

Her interest in children grew out of her work as education minister in Mozambique, a position she held for 10 years, even after her husband died. She talks about visiting refugee camps and seeing mothers holding dying children and begging for help.

"I feel like crying. You feel so powerless. I don't take easily those situations. I don't hide my feelings. Those are the weaknesses. I can't help it. I tend to be very emotional. My feelings are stronger than my rationality."

In Mozambique, she has a foundation of her own, which she continues to run from South Africa, where she is spending more and more time. In South Africa she has been speaking on children's issues to the Truth and Reconciliation Commission, which investigates human rights abuses during apartheid, as well as to nongovernmental organizations.

DOES SHE HAVE more power now to get things done because of her relationship with Mandela? "It's not something I like very much but it's true," she says, and it's obvious that she's conflicted on the subject. Then quickly, almost defensively, "But I have a reputation of my own."

She added: "I want to keep my independence. I want people to see me as myself and not a reflection of somebody else. I cherish very much my independence."

She had been honored the night before at a dinner given by the New England Circle, a Boston-based "global citizens roundtable," for her work with children.

When Mr. Mandela entered with Mrs. Machel it was as if royalty had walked through the door. They hardly had time to eat for the number of people coming over to greet them.

After Mrs. Machel had concluded her remarks, Mr. Mandela, sitting in the front row, crooked his finger at her. She dutifully rose and walked to the edge of the platform, where he was waiting. With that he took her hand, pulled her down toward him and gave her a big kiss, to the stunned delight of the crowd.

Today she does not say they won't get married. She has been the one resisting the idea, to protect her independence, her identity. The idea of being married to a man like Nelson Mandela would be daunting to anyone. Is that what stops her?

She pauses and frowns. "This is a hard subject," she says. And then finally, as if she has resolved the issue: "It wouldn't be that I would be giving up my independence. Madiba respects my independence. It wouldn't be that. It's not us. We are O.K."

She leans back and smiles a contented smile. "Actually," she says, "nothing would change."

Vietnam Bares a Rebellion by Peasants

In a Move Toward Liberalization, It Escorts Newsmen to Site of Revolt

By David Lamb
Los Angeles Times Service

QUYNH HOA, Vietnam — Last summer, a remarkable event occurred in this isolated commune: Peasant farmers protesting corruption, high taxes and lack of government responsiveness rebelled against their local leaders, taking hostages and disrupting the rice harvest.

The uprising, which spread to other locales and lasted several months, unleashed nightmarish visions in Hanoi. If the Communist regime lost the support of peasants — who make up 80 percent of Vietnam's population of 74 million and represent the regime's main bulwark — what was to stop it from losing control of the whole country?

Hanoi also worried because the peasants were not just unemployed dissidents. Many were former soldiers. Their province, Thai Binh, was a birthplace of resistance against Japanese invaders and French colonialists.

Thai Binh — population 1.8 million — sent off a half-million of its young men to fight the Japanese, French, Americans and South Vietnamese between 1940 and 1975. Forty-seven thousand were killed. More than 1,800 mothers lost two or more sons.

Hanoi initially responded to the rebellion in the province, about 100 kilometers (60 miles) southwest of Hanoi, with predictable silence. It banned foreign correspondents from visiting, then made public in the Vietnamese media a sanitized version of the disturbances.

Last month, in a turnabout nearly as remarkable as the rebellion itself, Hanoi escorted 18 foreign correspondents to the scene of the worst violence, Quynh Hoa, where local officials talked with surprising candor about what had gone wrong. It is believed to have been the first time the Vietnamese have invited journalists to report on what was essentially an unfavorable story.

"We led the fight against foreign invaders, but to tell you the truth, we made some mistakes in economic management," said Phan Nguyen Duyet, the commune's Communist Party secretary. "Our cadre were not well-qualified, and that caused waste."

The decision to invite the journalists

— made at the highest level of the government — came when Hanoi is buzzing with new decrees apparently designed to loosen the constraints of government and win back the confidence of investors.

Foreign investment contracts dropped nearly 50 percent last year, tourism has dried up and the pace of economic reform has slowed drastically. Against that backdrop, Prime Minister Phan Van Khai met recently with 800 foreign businessmen in Ho Chi Minh City to promise that Vietnam would rein in the country's numbing bureaucracy and corruption and start opening up society to create a more favorable business climate.

The businessmen had heard similar pledges from other leaders.

Farmers who complained about the corruption and the size of "contributions" people had to make to each public works project were dismissed as ingrates.

Last summer, they took matters into their own hands. An unknown number of peasants, armed with knives and clubs, took control of the road to Quynh Hoa. They closed the marketplace, interrupted weddings and funerals, prevented some farmers from working in the surrounding rice paddies and stormed the party headquarters, a small compound that functions as a sort of town hall.

When provincial officials sent 20 policemen to quiet things in November, the officers were dismissed, tied up and held hostage for four days. Some were beaten and three were hospitalized, officials said. Two women sent by higher authorities to pacify

female farmers were also taken hostage. The standoff ended without any deaths after Hanoi promised to take action.

So far, 20 of the commune's 37 cadre members have been dismissed. Of the 300 or so peasants involved in disturbances throughout the province, most have been "severely punished" and have undergone "self-criticism sessions" or are awaiting trials.

Western political analysts said the unrest in Thai Binh was indicative of tensions in many of the nation's rural areas, where farmers — although generally supportive of the Communist regime — believe they have too little say in their destiny and insufficient influence on policies formulated by an urban elite.

Some 12,000 bank workers in 42 banks across the country, representing at least 400 bank branches, went on strike Friday to protest an increase in the tax on soft loans and said they would not return to work until it was scrapped. Their employers reacted by dismissing them.

Mr. Moi, 73 and in power since 1978, has made no comments on either the IMF statement or the union call.

Mr. Odiko said the secretaries-general of all major workers' groups affiliated to the unions' organization had agreed to call the strike, and their decision had been endorsed by some 5,000 workers camping outside the umbrella group's offices and loudly calling for a nationwide protest.

The new strike is viewed as likely to undermine economic growth, already slowed by heavy rains linked to the El Niño weather phenomenon.

Last week, the International Monetary Fund said Kenya faced a grim year, with gross domestic product growth declining, the budget deficit rising, inflation climbing and the value of the currency falling.

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electricity. But Hanoi's new economic policies brought many welcome changes: a narrow road, pumping stations for irrigation, electricity, radios in 89 percent of the homes and television sets in 35 percent, a school with 18 classrooms.

The policies also brought access to more money — mostly government funds designed to build infrastructure. The Communist cadre running the commune got greedy.

Since 1990, officials said, 20 cadre members had embezzled from \$100 to \$2,000 each from public works projects. "That may not be much money where you come from," said Mr. Duyet, the party secretary, "but here it is a huge amount."

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Cathay Pacific Sees a Bright Side

HONG KONG (AP) — Despite the economic turmoil in East Asia, Cathay Pacific of Hong Kong will double daily flights from the territory to London, Los Angeles and Sydney on July 1. It also will add daily flights to Taipei and Singapore.

Britain Breaks Tourism Record

LONDON (Reuters) — Britain enjoyed a record tourism year in 1997. Tourism officials said their figures showed that 26 million people visited Britain last year, an increase of 3 percent over 1996, and spent £12.65 billion (\$20.9 billion).

TRAVEL UPDATE

The Finnish ferry company Silja will stop carrying passengers across the English Channel, but will continue to handle cargo traffic. (APF)

A British consortium, Legend Court, plans to build a theme park in south Wales that it hopes will create 6,500 jobs, open in 2001 and attract up to 2.7 million visitors a year. (Reuters)

Air Philippines says it will start flying to Hong Kong, Singapore and South Korea this year despite the Philippines' economic difficulties. It will also acquire three Boeing 737s to expand its fleet. (AP)

WEEKEND SKI REPORT

Resort	Depth L	U	Mts. Pls.	Res. Pls.	Snow State	Last Snow	Comments	Resort	Depth L	U	Mts. Pls.	Res. Pls.	Snow State	Last Snow	Comments
Andorra Soldeu	40	110	Good	Art	Ver	232	all open, good, mostly good	Italy Bormio	10	150	Fair	Art	Ver	232	1415 ft. open, and 500m open
Austria Ischgl	15	125	Fair	Open	Ver	1/3	all open, good, good snow available	Cortina	50	150	Fair	Art	Ver	232	all open, good, good snow, 1400m
Kitzbühel	0	80	Fair	Some	Heavy	1/3	4350 ft. and 4236 ft. open, good	Corvara	30	75	Fair	Closed	Ver	232	most open, at high
Lech	75	85	Fair	Open	Ver	1/3	all open, good, good snow available	Courmayeur	40	140	Fair	Closed	Heavy	232	2324 ft. open, good, good skiing
Mayrhofen	0	55	Fair	Some	Ver	1/3	all open, good, 4022 snow at 1600m	Livigno	55	150	Good	Art	Ver	232	all open, good, good snow
Obertauern	40	150	Good	Open	Ver	1/3	all open, open, warm weather	Salva	10	80	Fair	Art	Pd	33	everything open, good upper levels
Saalfelden	20	70	Fair	Open	Ver	2/3	most open, north slope best	Norway Gallo	70	85	Good	Open	Pd	43	all open, excellent skiing
St. Anton	25	210	Fair	Warm	Heavy	1/3	most open, approach only	Switzerland Grans Montañas	40	130	Fair	Open	Ver	1/3	3641 ft. open, good above 2000m
Canada Lake Louise	85	125	Good	Open	Pd	33	all open, good, good snow, generally everything open, 160m new snow	Diavos	40	130	Good	Some	Ver	1/3	everything open, good upper aspect
Whistler	110	370	Good	Open	Pd	33	all open, good, good snow, generally everything open, 160m new snow	Coesters	5	125	Good	Some	Ver	1/3	all open, good snow, 2000m
France Alps d'Huez	75	340	Good	Open	Ver	232	60/60 ft. open, slash low down	Murren	20	70	Fair	Open	Ver	1/3	all open, at high, warm low
Les Arcs	80	180	Fair	Open	Ver	1/3	7477 ft. open, best above 2000m	Sees Fee	50	185	Good	Warm	Ver	232	2325 ft. open, good above 2000m
Avoriaz	120	150	Fair	Open	Spring	1/3	all open, typical spring skiing	St. Moritz	25	80	Fair	Art	Ver	232	all open, open, upper runs good
Chamonix	80	180	Good	Art	Ver	232	all open, good snow, 1800m	Verbier	15	180	Good	Warm	Ver	1/3	all open, good snow, 2000m
Courchevel	105	110	Good	Open	Ver	1/3	all open, open, good snow, mid weather	Wengen	10	40	Fair	Warm	Ver	1/3	all open, some good snow
Les Deux Alpes	50	280	Good	Art	Ver	232	60/60 ft. open, good high	Zermatt	20	140	Good	Art	Ver	232	7173 ft. open, high runs really at
Flaine	50	180	Good	Warm	Ver	1/3	2728 ft. open, good in some bowl	U.S. Aspen	140	145	Good	Open	Ver	33	4243 ft. open, very good skiing
La Plagne	110	180	Good	Warm	Ver	232	3530 ft. open, upper slopes good	Brookridge	135	185	Good	Open	Ver	33	all open, good snow, great skiing
La Plagne	110	180	Good	Warm	Ver	232	3530 ft. open, upper slopes good	Crater Lake	135	185	Good	Open	Pd	33	all open, good snow, great skiing
Serre Chevalier	80	280	Good	Art	Ver	232	60/60 ft. open, all generally good	Maroon	135	185	Good	Open	Pd	33	all open, good snow, great skiing
Tignes	80	170	Fair	Open	Ver	1/3	most open, north slope best	Northstar	135	185	Good	Open	Pd	33	all open, good snow, great skiing
Val d'Isère	85	220	Good	Art	Ver	232	all open, good snow, good upper aspect	Palmer Park	135	185	Good	Open	Pd	33	all open, good snow, great skiing
Val Thorens	80	220	Fair	Open	Ver	232	all open, good snow, good upper aspect	Winter Park	135	185	Good	Open	Pd	33	all open, good snow, great skiing
Germany Garmisch	5	200	Good	Some	Ver	1/3	3253 ft. open, decent over 1500m	Key-L: Depth in on and below and upper slopes. Mts. Pls. Pls. Mountainside plies, Res. Pls. Res. leading to recent falls. Art. Artificial snow. Reports supplied by the Ski Club of Great Britain							

Key: U Depth in on lower and upper slopes. Mts. Plots: Mountain peaks. Res. Plots: Res. Plots. Reports supplied by the Ski Club of Great Britain.

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

Europe		North America		South America		Africa		Asia		Oceania	
High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Algeria	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Amman	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Antananarivo	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Asmara	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Bamako	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Beijing	14/15	11/12	14/15	11/12	14/15	11/12	14/15	11/12	14/15	11/12	14/15
Bombay	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Brazzaville	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Brussels	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Calcutta	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Chengdu	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Chongqing	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Colombo	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Columbo	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Cuba	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Dakar	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Damascus	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Dar es Salaam	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Delhi	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Dhaka	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Doha	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Durban	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Harbin	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Hong Kong	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Jakarta	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Jeddah	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Kuala Lumpur	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Kobe	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Kolkata	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Kuwait	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Lahore	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
London	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Los Angeles	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Lyons	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Macao	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Manila	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Mexico City	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Moscow	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Mumbai	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Nairobi	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Nagasaki	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Nassau	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Norfolk	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Osaka	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Paris	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Perth	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Phnom Penh	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Port of Spain	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Porto	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Prague	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Rangoon	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
Rangoon	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25	10/11	24/25
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THE AMERICAS

A Starr Subpoena vs. Attorney-Client Privilege

Defense Lawyers See Chilling Effect in Pursuit of Lewinsky Ex-Counsel's Papers

By Jill Abramson
New York Times Service

WASHINGTON — The subpoena by the White House independent counsel of the notes and case files of a former lawyer for Monica Lewinsky is an unusually aggressive move that has created alarm among defense lawyers.

Communications between lawyers and clients are normally shielded by lawyer-client privilege. But Kenneth Starr's office was believed to have argued in federal court Wednesday that Ms. Lewinsky and her former lawyer, Francis Carter, would not be covered by the lawyer-client privilege if Ms. Lewinsky retained Mr. Carter to prepare a false affidavit in the Paula Jones sexual misconduct lawsuit against President Bill Clinton.

Mr. Carter's lawyer, Charles Oglethorpe Jr., who is a Harvard law professor, said Mr. Starr's move would chill the dealings between lawyers and their clients. Other lawyers echoed his charge.

Mr. Oglethorpe was prepared to argue before Judge Norma Holloway Johnson of Federal District Court here that Mr. Carter's representation of Ms. Lewinsky is covered by the lawyer-client privilege and that their communications should remain confidential.

Mr. Starr's effort to obtain information about Mr. Carter's representation of Ms. Lewinsky is one of several moves that have attracted controversy recently.

Defense lawyers and White House officials criticized the independent counsel last week for calling a presidential aide before the grand jury to question him about his contacts with news organizations. Mr. Starr is also embroiled in a dispute with the White House over whether Mr. Clinton's communications with some of his aides are covered either by lawyer-client privilege or executive privilege.

Ms. Lewinsky was referred to Mr. Carter by Vernon Jordan Jr., who testified before the grand jury Tuesday. Mr. Jordan, a close friend and trusted adviser of Mr. Clinton's, has said he took Ms. Lewinsky to Mr. Carter's office after she was subpoenaed in the Jones case.

Mr. Carter assisted Ms. Lewinsky in preparing a sworn affidavit in which she denied having had a sexual relationship with Mr. Clinton. Ms. Lewinsky retained a new lawyer, William Ginsburg, after lawyers and investigators working for Mr. Starr confronted her in late January.

Based on taped conversations between Ms. Lewinsky and a former co-worker, Linda Tripp, Mr. Starr's office is investigating whether Ms. Lewinsky perjured herself in the Jones case and encouraged others, including Ms. Tripp, to testify falsely.

Jordan Reaffirms His Loyalty Publicly
Mr. Jordan emerged from a full day of secret

testimony before a grand jury investigating the Lewinsky case and gave the signal the White House was anxiously awaiting — a staunch reaffirmation of his fidelity to Mr. Clinton. The Washington Post reported.

As he left the federal courthouse following nearly five hours of questions Tuesday, Mr. Jordan stopped on his way down the front steps, scanned the assembled cameras with a purposeful stare and, after a pregnant pause, scorned speculation that he would turn on the president.

"As to those of you who cast doubt on my friendship with President Clinton, let me reassure you that ours is an enduring friendship, an enduring friendship based on mutual respect, trust and admiration," Mr. Jordan said, speaking slowly to emphasize his words as cameras clicked and whirled. "That was true yesterday. That is true today. And it will be true tomorrow."

How precisely that translated during the closed-door testimony remained unclear because of grand jury secrecy rules, and neither Mr. Jordan nor his attorney was willing to elaborate, except to say he answered fully and did not invoke his Fifth Amendment right to refuse to respond to questions.

The questioning of Mr. Jordan dragged on long enough that he will have to return Thursday, which will bump a scheduled reappearance by Mr. Clinton's personal secretary, Betty Currie, to Tuesday.

POLITICAL NOTES



.08
A TOUGH LAW THAT SAVES LIVES
Students watching President Bill Clinton sign an executive memorandum for a plan to lower the blood-alcohol level at which a driver is legally drunk.

Puerto Rico Measure Threatens Republicans

WASHINGTON — Win or lose, the United States-Puerto Rico Political Status Act could do further damage to Republicans' efforts to win the hearts and votes of the Hispanic electorate.

The bill, which was being debated Wednesday in the House, seeks to resolve the question of whether Puerto Rico, a Caribbean island of 3.8 million people held by the United States for 100 years, is to remain an internally self-governing U.S. "commonwealth" or become either a state or independent.

A Republican amendment imposing English-language requirements on Puerto Ricans as a condition for becoming a state threatens to make the bill unpalatable for many Democrats even though it will probably add some conservative Republican support. President Bill Clinton will veto any bill with the English-language provisions, the administration statement said. (WP)

Drinking Curb Gains

WASHINGTON — The Senate gave strong approval Wednesday to a measure, endorsed by President Clinton, that would set a national standard for drunk driving and punish states that do not abide by it with a loss of highway funds.

Voting by 62 to 32, senators amended a major highway spending bill to call on all

states to set .08 percent as the blood-alcohol level at which a driver is declared legally drunk. States that fail to do so by October 2001 face losing 5 percent of their share of federal highway spending, with the penalty going up to 10 percent at a later date. Many states exceed the .08 limit.

"I hope that the happy hour is over for drunk drivers," said Senator Frank Lautenberg, Democrat of New Jersey, the chief sponsor of the amendment along with Senator Mike DeWine, Republican of Ohio. "Drunk driving is a crime, like assault, like shooting at someone, like murder and it should be treated with the same severity."

Opponents of the measure expressed concern that the punishments were too harsh and said that the federal government should not be forcing its standards on states.

The issue is also likely to arise in the House when it takes up the highway bill, probably later this month. (AP)

Quote/Unquote

President Clinton, supporting stricter limits on drunken driving after a mother from Maryland described how she watched helplessly from 20 feet away as a driver who had been drinking killed her 9-year-old daughter as she waited for her school bus: "Every parent in this country, every single one, who has ever put his or her child in a car with someone else to go off to some destination, has felt that sense of loss of control, that fear that something might happen." (NYT)

From Inside, a Supreme Court Tell-All Book

By Joan Biskupic
Washington Post Service

WASHINGTON — A new tell-all book by a former Supreme Court clerk portrays the justices as strongly influenced by politics and manipulated by ideological law clerks who not only play a dominant role in drafting opinions but also sway how the justices vote on individual cases.

The book focuses particularly on the activities of conservative clerks, who, according to the author, Edward Lazarus, worked in the late 1980s to steer justices to right-wing results, established an e-mail system to communicate with each other and became so interested in denying appeals from death row that when a Florida mass murderer, Ted Bundy, was executed, they "celebrated with a champagne party."

Other former clerks vouch for some of the anecdotes presented by Mr. Lazarus, particularly of battles between the liberal and conservative clerks.

But some former clerks said his view overstated clerk power. Indeed, the justices tend to rule in consistent

patterns over the years, even though clerks move on annually.

Laurie Miller, a clerk to Justice Byron White during the same term as Mr. Lazarus, said the justices controlled the results. "It would be unfounded bravado on my part to suggest ever that anyone in our chambers was anything other than a clerk to Justice White," she said.

Although legal scholars regularly write biographies of individual justices or tomes on judicial philosophy, this is the first time that a former law clerk has provided a lens on the court by breaking with the tradition of remaining publicly silent on matters pertaining to the court's inner sanctum.

As a result, the book, due out in April and entitled "Closed Chambers," is already generating controversy at the court and in legal circles, where galley proofs are beginning to circulate. Initial reports were that some of the justices were surprised about the impending publication of the 500-page book by Time Books.

Five justices who were on the court during the period covered in the book remain today.

Mr. Lazarus, now a federal prosecutor in Los Angeles, was a law clerk to Justice Harry Blackmun in the 1988-89 term. Justice Blackmun retired in 1994 but still goes daily to his office at the court, and some people close to him said he was unaware until Tuesday that his former clerk was publishing a book.

In an interview, Mr. Lazarus dismissed any suggestion that he had violated confidences. "This idea of absolute silence is really a myth," he said. "Clerks have spoken to journalists — they have just done so anonymously. I felt I had something important to say."

He said in the book that he was "careful to avoid disclosing information I am privy to solely because I was privileged to work for Justice Blackmun."

Mr. Lazarus writes in "Closed Chambers" that the justices "resort to transparently deceitful and hypocritical arguments and factual distortions as they discard judicial philosophy in favor of bottom-line results."

Describing himself in liberal terms, Mr. Lazarus casts Chief Justice Wil-

liam Rehnquist as an ineffectual leader and Justice Anthony Kennedy, a key swing vote on the court, as putty in the hands of his clerks and mainly interested in being popular. Mr. Lazarus writes that Justice Kennedy was considered a "priss in the eyes of some of his colleagues."

He also writes that it was "received wisdom among the clerks" that Justice Sandra Day O'Connor distrusted the persuasive, liberal Justice William Brennan "for having hoodwinked her in some unnamed past case."

As a result, Mr. Lazarus says, she refused to sign on to any of his majority opinions. Justice Brennan retired in 1990 and died last year.

Mr. Lazarus names names. He writes, for example, that Andrew McBride, a clerk to Justice O'Connor, was so intent on revenge for the Senate rejection of the nomination of Robert Bork as chief justice that he e-mailed his fellow conservative clerks early in the term: "Every time I draw blood I'll think of what they did to Robert H. Bork."

Contacted Tuesday, Mr. McBride refused comment.

U.S. Global Warming Tab Expected to Be Modest

By Joby Warrick
Washington Post Service

WASHINGTON — If implemented, the international global warming treaty the United States signed in Kyoto, Japan, could add \$70 to \$110 to the average American household's annual energy bill over the next 15 years, according to a long-awaited White House economic analysis.

In the first official assessment of the cost of the historic global warming treaty, reached in December, the Clinton administration forecasts that the agreement would result in, at most, "modest"

price increases for gasoline and other fuels as America's share of the international tab for cutting greenhouse gas emissions. And those increases could be offset completely by lower electricity bills if Congress passes laws to allow utility companies to compete, administration officials said.

But some economists were skeptical, and others who basically support the White House estimates point out that they are based on several optimistic assumptions, including cooperation by developing countries and international acceptance of market-based trading mechanisms.

"It's true that the impact can be relatively small — if this is done in the smartest possible way," said Robert Stavins, an economist and professor of public policy at the John F. Kennedy School of Government at Harvard University. "But if we don't do it that way it will cost 10 times what the administration is saying."

At the conclusion of the 10-day Kyoto summit conference, 159 nations agreed to the first legally binding international protocol to fight global warming. The treaty calls for reducing "greenhouse gas" emissions, which are produced mostly from burning fossil fuels.

AMERICAN TOPICS

Is 'Little' Lake Destined for Greatness?

Lake Champlain, a body of water 107 miles (171 kilometers) long that nestles between the Adirondack Mountains of New York and the Green Mountains of Vermont, has great aspirations.

The ice-age glaciers that carved out the five Great Lakes — Superior, Huron, Erie, Michigan and Ontario — also created Champlain. But at one-fifth the size of Lake Ontario, the smallest of the five, Champlain missed out on official designation as a Great Lake. That means missing out on a share of the \$290 million in federal research money that will go to colleges in states abutting the Great Lakes and the oceans over the next five years, notes The New York Times.

Senator Patrick Leahy, Democrat of Vermont, sought to rectify this alleged injustice. He slipped these seven words into a bureaucratic-jargon piece of legislation, thereby rewriting North American topography: "The term 'Great Lakes' includes Lake Champlain." The bill passed the House of Representatives and Senate and awaits the expected signature of President Bill Clinton.

But then legislators from the traditional Great Lakes states noticed the act of perfidy and realized it could hurt funding to their own colleges. A Michigan representative, Fred Upton, has introduced a bill to deny Greatness for Lake Champlain, deriding it as "a pencil line on a map." Geologists and mapmakers dismiss the change. The Big Five, they note, have been recognized as such apparently since the early 1600s, when French explorers referred to them as "Les Grands Lacs." Lake Champlain, discovered in 1609 by the French explorer Samuel de Champlain, was just so named.

Short Takes

The Pittsburgh Police Department, under orders from the federal government, will begin tracking complaints against officers next month. One complaint too many against an officer — running a siren unnecessarily, threatening someone, manhandling a suspect — and the new computer system will notify police supervisors. The supervision, system will notify police supervisors. The supervision, system will notify police supervisors. The supervision, system will notify police supervisors.

Brian Knowlton

Away From Politics

• An admitted child molester who had himself surgically castrated to try to avoid a long prison sentence was sentenced nonetheless to 26 years in prison in Geneva, Illinois. Attorneys for Jeffrey Morse, 30, who could have been sentenced to nearly 100 years for molesting two young girls, had asked for a six-year sentence. (AP)

• A teacher in Yorktown, Virginia, was charged with assault and battery for allegedly clipping a 9-year-old girl's fingernails without permission from the student's parents. The teacher was accused of cutting the girl's fingernails because they "were inappropriate in the classroom." (AP)

• A judge ordered Miami to hold a new mayoral election, saying that the contest Nov. 4 was rife with absentee voter fraud. Xavier Suarez defeated the incumbent mayor, Joe Carollo, in a runoff that Mr. Suarez forced by winning the absentee vote by a 2-to-1 margin. (AP)

KAZAKHSTAN INVESTMENT SUMMIT

Almaty, June 4-5, 1998

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Other speakers will include key members of Kazakhstan's national and regional governments, as well as financial, business and political leaders from around the world.

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INTERNATIONAL

Weizman Is Re-elected As President of Israel

But Race for Second Term Is Not a Cakewalk

By Serge Schmemmann
New York Times Service

JERUSALEM — The Israeli Parliament re-elected Ezer Weizman to a second five-year term as president on Wednesday, but only after the maverick former air force pilot was compelled to fight off an unusually tough challenge for the largely ceremonial office that is supposed to be above the political fray.

The election was the first one in which an incumbent president was compelled to fight for a second term, though many past races for the office were hard-fought. Mr. Weizman, 73, is the seventh president in Israel's 50-year history.

In a secret ballot, Mr. Weizman warded off a challenge by the candidate of the governing Likud party, a relatively obscure politician named Shaul Amur. The president won by a vote of 63 to 49, with seven abstentions and one absence.

While popular with the public, Mr. Weizman, a former fighter pilot and defense minister, has irritated some Israeli officials with his sallies into politics

and his careless comments. During the last Labor government, he criticized the pace of the peace talks with the Palestinians, but once the process stalled under Prime Minister Benjamin Netanyahu, he intervened to get it moving.

He has also made impulsive comments about women and homosexuals, for which he subsequently had to apologize, and gained the antagonism of Leah Rabin, the widow of the assassinated Prime Minister Yitzhak Rabin for his clumsy speech at Mr. Rabin's funeral.

Evidently out of frustration with Mr. Weizman's tacit criticism, Mr. Netanyahu's Likud party nominated Mr. Amur, a 57-year-old native of Morocco who is mayor of Migdal Ha'emek, a city that has prospered as a center of high technology. Though popular in his city, Mr. Amur is little known outside it, and had been passed over by Mr. Netanyahu for a seat on his cabinet.

Mr. Amur focused part of his challenge on his North African Sephardi heritage, hoping to capitalize on dissatisfaction among immigrant Jews with the largely European Ashkenazi Jews who continue to dominate the political and social scene. The tactic prompted Mr. Weizman to grouse, "I feel I have to apologize for being a sabra" — a native-born Israeli.

But Mr. Amur failed to garner support from the most powerful Sephardi organization, Shas, and on the eve of the vote there was little doubt he would lose.

Israel Radio said that after the vote, Mr. Weizman called Mr. Netanyahu and said, "First of all, we are going to continue to work together, we are going to learn lessons and work together, and don't worry."

Mr. Netanyahu replied, "Precisely. And I have to tell you that I think it is also the beginning of a new era."

Mr. Weizman made the point again in his acceptance speech, saying, "We will sit together and plan our joint life and there won't be any problems. We are both big kids."

While amiable to many officials, Mr. Weizman's straightforward style has made him popular with ordinary Israelis, and he was supported by 70 percent of the public in the race.

His comments, however undiplomatic, often reflect public sentiments, and he is admired for his invariable readiness to visit sites of tragedies or disasters, or to call on the wounded in hospitals. When the border city of Kiryat Shmonah was threatened by rockets from Lebanon in 1996, Mr. Weizman and his wife, Reuma, stayed the night in a bomb shelter there.

Mr. Weizman also enjoys esteem in the Arab world — as a former warrior, as the defense minister closely involved in the Camp David process that led to the 1979 peace with Egypt and as a president who has actively defended the Oslo process against Mr. Netanyahu.



Shaul Amur, above, holding his head as the vote for president of Israel went against him in the Knesset on Wednesday. He was conferring with a Likud party ally, Pini Barash. At left, Mr. Weizman and his wife, Reuma, greeted the press after his re-election. Israel Radio reported that after the vote, Mr. Weizman called Mr. Netanyahu and said, "First of all, we are going to continue to work together, we are going to learn lessons and work together, and don't worry." Mr. Netanyahu replied, "Precisely. And I have to tell you that I think it is also the beginning of a new era."



Net Shaul/Reuters

ISRAEL: High Court Justifies Detention of Lebanese Prisoners

Continued from Page 1

any specific cases in which the Lebanese might be used, their initial capture was linked to Israeli efforts to free Captain Ron Arad, an Israeli Air Force navigator who was shot down over Lebanon on Oct. 16, 1986.

Captain Arad was originally held by the Amal militia in Lebanon, but negotiations over his release foundered, and he was transferred to an Iranian-backed group. He was never heard of again.

After that, according to Mr. Rish, Israeli and its Lebanese allies of the South Lebanon Army captured a number of Lebanese men in their 20s and 30s. Ten of them were tried in 1986 and 1987 for membership in hostile organizations and sentenced to prison terms, and when these expired, they were put in admin-

istrative detention. The most prominent captures came later. In 1989, Israeli commandos kidnapped a Hezbollah cleric, Sheikh Abdel Karim Obeid, and in 1994, the Israelis seized Mustapha Dirani, the Amal leader who originally held Captain Arad.

Unlike the earlier group, the capture of these two was given considerable publicity. Sheikh Obeid went on Israeli and American television in 1991 to plead for the release of Captain Arad.

The Israeli authorities have allowed the Red Cross to visit all the detainees except for Sheikh Obeid and Mr. Dirani, who have been kept isolated.

Mr. Rish said he learned of the detainees by chance when, as a member of the Association for Civil Rights in Israel, he was making a routine visit to the prison in Bersheba in 1992. He was barred from a wing, and learned from

warden that a group of Lebanese nationals was being held there.

He won a visit, and filed suit in 1994 to have the men released. Mr. Rish argued that, under Israeli law, people can be held in administrative detention only if they themselves pose a threat to the security of Israel.

"As long as there is no direct evidence that these people are endangering the security of Israel, and the only purpose is in having hostages, then it's illegal and immoral," he said.

Mr. Rish argued that there was no evidence Captain Arad was alive.

"When you lock people up for so long, you have to have some clear evidence there is a reason for it."

Besides, he said, there were 70 Lebanese nationals serving sentences in Israeli prisons who could be used in prisoner exchanges.

CHINA: Tobacco King Is Portrayed as a Criminal Degenerate by Beijing, but He's Still a Hero in His Hometown

Continued from Page 1

large company in China that does not have hidden accounting, secret decision-making, tiny salaries and lavish perks for managers, all of them invitations to greater financial impropriety.

Corruption is so endemic in China's businesses that no one can accurately see where it begins and ends.

"There is no way to measure corruption in China's state-owned enterprises," said Kenneth Lieberthal, a China scholar at the University of Michigan. "But the fundamental structure of Chinese enterprises provides management with ample opportunities to engage in significant self-dealing."

The hand-in-hand collusion of business and government is at the root of structural problems that underlie the Asian financial crisis in many of China's neighbors. Though China has so far avoided a currency or stock market drive, it suffers from much as, if not more than, Indonesia, Thailand or South Korea.

Hundreds of company executives were disciplined for corruption last year, though it is widely believed that many thousands more have gone unpunished. Without a working legal system, wrongdoing is typically investigated by "discipline inspection teams" that are heavily political, leaving the well-connected free to flout the law.

What seems most remarkable about

Mr. Chu's case is that it was ever exposed. With no independent media, and no incentive for government officials to admit how bad corruption has become, it is the rare case where the head of a company loses his or her political connections so completely that the case is made public. Yet that is what happened to Mr. Chu, who is now 70.

"Chu thought he was untouchable, after all he had done," said a Chinese executive who works with Red Pagoda, known in Chinese as Hongta Group. "His connections were not as strong as he thought."

In January, the authorities announced that they had expelled Mr. Chu from the Communist Party for "serious economic crimes," a virtual guarantee that he will eventually be charged, tried in court and found guilty.

The official report on his wrongdoing, recently printed in the People's Daily, was almost like a catalogue of how to run a family empire, with Mr. Chu's wife and daughter alleged to have run a vast scheme of bribe-taking.

When Mr. Chu was named general manager of Red Pagoda in 1979, it was a small factory that earned less than \$1 million a year, making a hodgepodge of local brands of cigarettes. Like most state-run companies, Red Pagoda was required to hand over all its profits to the government, while its managers and em-

ployees alike earned less than \$25 a month.

Mr. Chu recognized that, as China's booming economic growth gave ordinary people the buying power to afford cigarettes, promoting the factory's flagship Red Pagoda brand all over the nation was the way to maximize income.

It worked. Red Pagoda became so popular that the official price of \$1 a pack was outstripped by the market price that eventually grew to \$1.50 or \$2. Still

tributors were willing to pay bribes to Mr. Chu and his family members just to get access to his products, even at inflated prices, authorities said.

Since his official salary remained less than \$250 a month, the temptation for graft proved irresistible. The same is true, Chinese executives say, at many large Chinese companies.

"The investigation showed that Chu Shijian abused his power to approve the illegal purchase and speculative profiteering cigarettes from 1991 to 1995," the official report said. "His family members and other relatives received large bribes."

Mr. Chu personally pocketed at least \$1.7 million in bribes, the report said, while his daughter took more than \$5 million and his wife more over \$1 million. But even that is a tiny fraction of the more than \$145 million that Mr. Chu diverted from the government, hiding it in various company bank accounts.

In 1996, Red Pagoda reported an income of \$2.3 billion, though it is anyone's guess how much more was coming in unofficially.

"Only a fool reports his company's income accurately," said another Chinese executive in Kunming, the capital of Yunnan Province. Most companies, he said, operate multiple sets of company accounts, often making it impossible to decipher true sales or profit.

Operating in a system that required the company only to report income from the official, artificially low price, Mr. Chu found that he could set aside millions of dollars earned at the market price.

Mr. Chu spent some of Red Pagoda's unreported income on new machinery, insisting that his company have state-of-the-art facilities to spur production. He also built apartment buildings for his employees and modern offices for his staff, since waiting for officials to do so might mean waiting forever.

Yet there was a dark side, too. By 1995, when the company rolled more than 100 billion cigarettes, the Red Pagoda brand was so sought-after that dis-

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BRIEFLY

Walkout Paralyzes Zimbabwe Business

HARARE, Zimbabwe — A national strike to protest higher taxes and soaring food prices brought business to a standstill for a second day Wednesday and angered the beleaguered government of President Robert Mugabe.

Most factories were unable to operate. State postal, railroad and electricity maintenance services were shut down. Government departments were undermanned.

Information Minister Chen Chimtengwende accused employers of "economic sabotage" by closing their businesses. (AP)

Paris Sits Out Move By NATO on Iraq

BRUSSELS — France refused on Wednesday to endorse a NATO statement backing the United Nations Security Council's latest resolution on Iraq, diplomatic sources at NATO headquarters said.

The statement, endorsed by the North Atlantic Treaty Organization's 15 other members, expressed "strong support" for the council's insistence on Iraqi compliance with the UN weapons inspection regime, including its threat of "the severest consequences" if these obligations were not met.

Diplomatic sources said France objected to the statement on the grounds that NATO had kept itself at arm's length from the crisis in Iraq, which lies outside the theater of alliance operations. (Reuters)

Sandinista Leader Denies Allegations

MANAGUA — Former President Daniel Ortega, the Sandinista leader, has denied his stepdaughter's claim that he sexually abused her and, backed by his family, dismissed her charges as a "manipulation."

Zolamercia Ortega, 30, made the charge in a letter published on Tuesday in the *Bolsa de Noticias*, a daily newsletter whose audience consists mainly of journalists, diplomats and government officials.

"Since 11 years old, I was repeatedly sexually assaulted for years by someone who, despite his position as father, abused his power," she said in the letter, in which she also denounced her stepfather's name.

Mr. Ortega and his common-law wife, Rosario Murillo, who is Zolamerica's mother, and seven of their children presented a united front to journalists, calling the charges a "manipulation." (Reuters)

It's for Water, Libya Partner Says of Pipe

By Tom Buerkle
International Herald Tribune

LONDON — Libya and its British engineering partner dismissed as "fantasy" Wednesday the suggestions of some Western security experts that a huge water pipeline project had secret military uses.

Bashir Saleh, the general manager of the project, said the authorities planned to invite Western reporters to visit Libya next month to see the project, which officials said was rapidly coming onstream.

Some Western security analysts have questioned the 4-meter (13-foot) diameter of the pipeline, which could be wide enough to hold vehicles, as well as several underground caverns.

But the officials said all the facilities involved — pipelines, pumping stations and reservoirs — were designed for water alone. The project has been built underground to reduce evaporation, they said.

"We have nothing to hide," he said.

"Our project is a water project."

The 3,000-kilometer (1,800-mile) pipeline that extends from deep in the Sahara Desert to Libyan cities along the Mediterranean contains valves and chambers to regulate water flow that "totally preclude the use of the pipes for other purposes," said David Meehan, managing director of Brown & Root North Africa, an arm of the British company that is overseeing the engineering of the project.

Reports of military uses "are a fantasy," he added.

Brown & Root is a subsidiary of Halliburton, a Texas-based oil services company whose chairman is Dick Cheney, a former U.S. defense secretary.

Mr. Meehan and Mr. Saleh, along with other directors of the Libyan project authority and its chief South Korean contractor, Dooh Ah Construction, met with reporters here after attending a technical conference on the pipeline.

While some Western engineers who have visited the project have cited widespread use of American construction equipment, Mr. Saleh said most of it was bought before 1986, when Washington imposed an embargo on U.S. exports to Libya. The embargo has increased some costs, the officials said, but not significantly hurt the project.

"We don't have to use Caterpillar," said Tahir Sala, another director of the project authority.

"We can use other equipment."

Mr. Saleh said the sole justification for the project was an acute shortage of drinkable water near Libyan cities. Severe depletion of coastal aquifers have left the water "as saline as the sea," he said.

ZHU: China's 'Economic Czar' Poised to Expand His Power to the Prime Minister's Office

Continued from Page 1

Mr. Zhu's ascent marks a victory for economic pragmatism, and a further step away from the ideologically driven days of Mao Zedong. Once condemned as a "rightist," purged from the party and banished to do rural labor, he is now known as "boss Zhu."

"I'm very pragmatic, and I'm very happy to have somebody very pragmatic become premier of China," said Ye Disheng, deputy mayor of Tianjin.

Despite admiration among those who know him, Mr. Zhu remains largely unknown to ordinary Chinese, and he is loathed by the bureaucrats who have been the targets of his rebukes.

Mr. Zhu once said he wanted to buy 100 bullets, use 99 on corrupt bureaucrats and save one for himself. In one meeting, an official showed off a fancy cigarette lighter. Mr. Zhu said the official could not have afforded it on his salary and fired him on the spot. He also summarily dismissed a senior provincial bank official whose performance did not meet Mr. Zhu's standard. He has threatened to "chop off the heads" of regional bank officials who defied his edicts.

"At a meeting with several hundred

participants, he will put a specific question to a specific individual," Mr. Ye said. "He often criticizes people who aren't prepared."

For all his straight talk on economics, however, Mr. Zhu's politics remain something of a mystery. As deputy prime minister he has been dubbed China's "economic czar." As prime minister his portfolio will be broader. Most analysts say it is unlikely he will initiate political reforms that might distract from or threaten pressing economic measures.

But many people hope Mr. Zhu will prove more liberal or open-minded than his predecessor, Li Peng, who is still associated with the army crackdown that crushed the Tiananmen Square demonstrations in 1989.

Mr. Zhu was born in Hunan Province on Oct. 1, 1928. His father died before Mr. Zhu was born, and his mother died when he was young.

In 1947, he went to study electrical engineering at Qinghua University, China's equivalent of the Massachusetts Institute of Technology. There he joined the Communist-backed New Democratic Youth League. He joined the Communist Party in October 1949, just after the Communist victory over the Nationalists.

By 1952, Mr. Zhu was at the State Planning Commission, responsible for prices, credit and output targets.

In 1957, however, during Mao's "Hundred Flowers" campaign to encourage criticism of the Communist Party, Mr. Zhu criticized a policy of "irrational" high-level growth. Mao abruptly halted the brief campaign and opened an assault on his critics. Mr. Zhu was exiled to the countryside to do manual farm labor.

Mr. Zhu and others were proved right as Mao's "Great Leap Forward" plunged the country into famine in which millions died. In 1962, Mr. Zhu's "rightist cap" was removed and he returned to the planning commission. But in 1970, the fourth year of the Cultural Revolution, Mr. Zhu was again sent to the countryside, this time to feed pigs, tend goats and clean toilets.

He was not fully rehabilitated until 1979, at the end of the Cultural Revolution, when Deng Xiaoping solidified his power. Mr. Zhu sped up the government ranks. He became mayor of Shanghai in 1983 and soon gained a reputation for efficiency.

His most severe test came in 1989, when students led demonstrations demanding greater democracy and a crack-

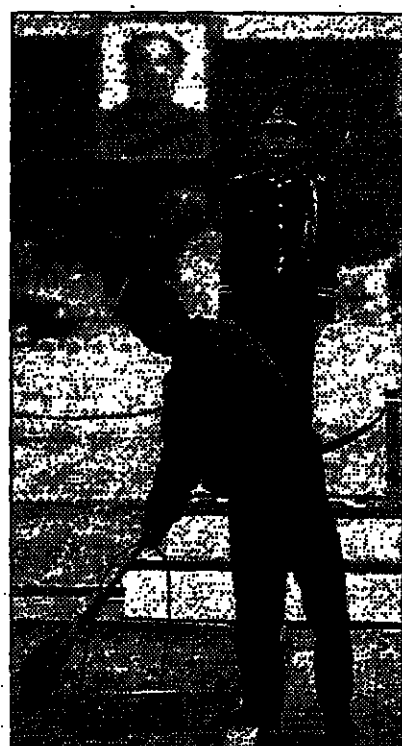
down on corruption. While in Beijing hundreds were killed in the military assault, Mr. Zhu made a televised plea in Shanghai that persuaded protesters to withdraw relatively peacefully.

Four days after the Beijing massacre, Mr. Zhu published a speech in the city's major newspapers, shunning the official terms "turnover" or "counterrevolution" to describe the protests, he wrote.

"The event that occurred recently in Beijing is a historical fact, and historical facts cannot be covered up by anybody. The truth will always come out." The ambiguous statement angered Communist Party hard-liners.

Nonetheless, Mr. Zhu's handling of events in Shanghai became an asset. During his tour of the United States in 1990, with other big city Chinese mayors, Mr. Zhu could field criticism of the 1989 crackdown without sounding defensive.

But his style has not won over everyone. "He is a creature of the state planning system and his instincts are regulation not decentralization of the economy," said David Shambaugh, director of George Washington University's Sigur Center for Asian Studies. "He is not necessarily the maverick liberal reformer many make him out to be."



A worker tidying up Tiananmen Square before the party congress.

ASIA/PACIFIC

Cambodian Convicted Of Smuggling Weapons

Show Trial Is Part of Plan for Prince's Return

By Chris Seper
Washington Post Service

PHNOM PENH — Cambodia's deposed first prime minister, Prince Norodom Ranariddh, was found guilty Wednesday on weapons smuggling charges in a show trial that is part of an international peace plan to allow him to return to the country and take part in elections.

Under the plan, the prince would receive a royal pardon from his father, King Norodom Sihanouk, and not serve any of the five-year sentence.

The trial is part of a Japanese-brokered attempt to salvage the United Nations' \$2 billion effort to build a democracy in Cambodia and ensure that Prince Ranariddh can safely return to take part in the vote scheduled for July 26. His participation is seen as crucial for a free and fair election.

Prince Ranariddh, in self-exile in Thailand, had agreed to the plan but dismissed the charges and refused to acknowledge the proceedings or mount a defense, saying the judiciary is under the control of Hun Sen, who took over in a bloody coup d'état last July.

Mr. Hun Sen and Prince Ranariddh were co-prime ministers in a coalition government elected in 1993, after the United Nations set up a multiparty system.

After the coup, most of the opposition left the country, allowing Mr. Hun Sen to govern unchallenged.

But Mr. Hun Sen needs foreign aid and wants the legitimacy of internationally recognized elections. His version of the coup — that Prince Ranariddh was stockpiling weapons to overthrow him — would be used effectively in the election campaign.

The peace plan calls for a cease-fire between the Hun Sen and Ranariddh forces, who have been fighting near the Thai border; for Prince Ranariddh's forces to sever its ties with the Khmer Rouge guerrillas; for the prince to be tried on a pair of charges stemming from the fighting in July, and for King Sihanouk to grant a pardon to the prince once those trials are over.

"We are doing everything to see that Ranariddh can return and to allow him 100 percent participation," said Prok Sokhonn, a senior adviser to Mr. Hun Sen.

A cease-fire has held since last week between Prince Ranariddh's forces and the government. The trial Wednesday was the first of two connected to Mr. Hun Sen's charge that it was Prince Ranariddh who initiated the coup.

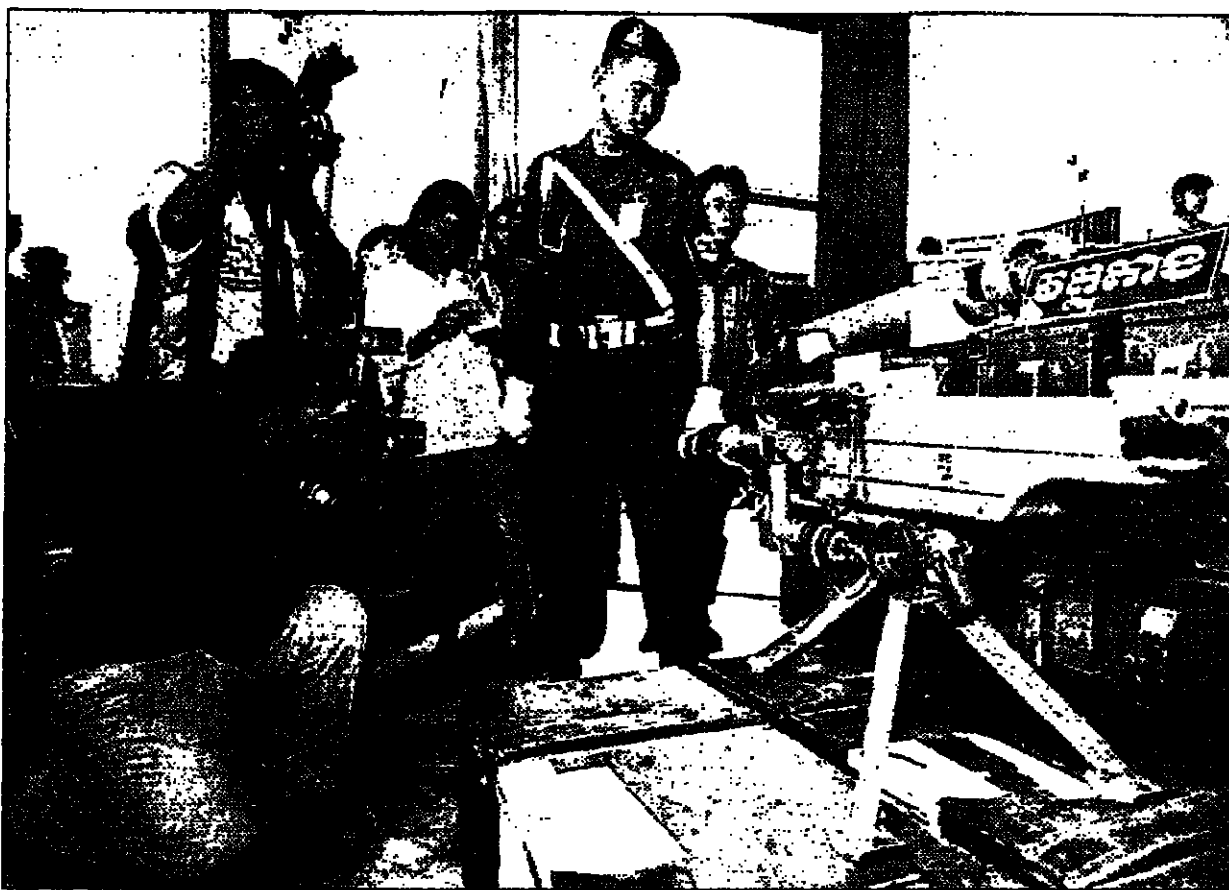
A second trial will be held March 17 to determine whether Prince Ranariddh colluded with the Khmer Rouge, whose 1970s Marxist regime is believed responsible for the slaughter of more than 2 million of its countrymen.

Observers and human-rights workers say that it is far from clear that the Japanese plan can be carried out. There is some question whether King Sihanouk will grant the pardon. He backtracked from an earlier promise to pardon his son and said in a faxed letter to Agence France-Presse that he would only grant a pardon if Prince Ranariddh or a member of the royal family requested it.

Recent comments by Mr. Hun Sen about abolishing the monarchy have fueled speculation that King Sihanouk will stay out of the current dispute.

An aide to the prince repeated Wednesday that he had no intention of asking for a pardon as he believed it would be a tacit admission of guilt.

"There are a lot of issues," said one human-rights observer. "With the prince, we just have to sit tight and see what happens."



A display of evidence presented during the trial Wednesday of the exiled Prince Ranariddh in Phnom Penh.

BRIEFLY

Scores Die in Pakistan Floods

KARACHI, Pakistan — Flash floods swept away hundreds of mud homes in southwestern Pakistan, killing at least 75 people, officials said Wednesday. There were 250 missing.

"The damage is massive," said Noor Ahmed Shah, a government official in Baluchistan Province. "We're trying to get help to the area, but it's still raining and nothing has been able to land."

A Pakistan Air Force C-130 aircraft and several helicopters tried to land in the hardest-hit area, near Turbat, 580 kilometers (360 miles) south of the Baluchistan capital of Quetta, but were forced to return, Mr. Shah said.

Much of the damage appeared to be to homes built along the banks of a usually dry riverbed. Rains that began Sunday gave rise to a torrent that roared over hundreds of homes. (AP)

More Dark News for Auckland

AUCKLAND, New Zealand — Businesses and residents in central Auckland suffering through the 12th day of a power failure got more bad news Wednesday: The blackout will last 10 more weeks.

Merchants estimate that they are losing \$60 million a week because of the failure of four power cables supplying electricity to the center of New Zealand's largest city. Two cables repaired by the city's power company, Mercury Energy, failed when tested Wednesday. It will take 10 weeks to run a new cable into the central area.

Central Auckland has been largely deserted since last month, when cables, strained by a heat wave, started to fail. The utility had no backup system. (AP)

Child-Rights Protest in Nepal

KATMANDU, Nepal — Thousands of protesters marched Wednesday through the capital of Nepal to demand an end to child labor.

The police said that more than 3,000 child workers, school children and activists joined the demonstration in Katmandu as part of a global drive to highlight the state of the world's 250 million juvenile laborers.

The protest precedes an International Labor Organization meeting in Geneva in June that will draft a children's rights convention. A group of marchers from Nepal, where there are 1 million child workers, will travel to India, Pakistan, Iran and Turkey on their way to Switzerland to press their demands. (Reuters)

A 2d Hong Kong Mail Bomb

HONG KONG — A package bomb was sent to a Hong Kong jewelry store Wednesday in the second

such incident in the city in three days. Witnesses said smoke poured from the package when it was opened by a store employee, but no one was injured.

The police cordoned off part of Hennessy Road in the Wanchai commercial district for more than an hour, causing traffic chaos across Hong Kong Island.

The chief police inspector, Douglas Shearer, said: "There was an incendiary device delivered through the mail to the jewelry shop. The device was designed so that when it was opened, it would burst into flames, possibly cause injury to whoever opened it. Luckily, it did not burst into flames."

He declined to comment on the identity of the recipient or the motive. (Reuters)

Gunshots in a Karachi Court

KARACHI, Pakistan — A man at the center of a disputed Pakistani romance was shot and critically wounded at a Karachi court Wednesday as he appeared to face charges of abducting his 19-year-old sweetheart. The police arrested seven members of the girl's family after the incident, in which three policemen were also wounded. Kanwar Ahsan, 30, who is from the Urdu-speaking Muhajir community, says he and Riffat Afridi were married after eloping in February. But her family, from the Pashtun community, has accused him of abducting the girl at gunpoint and has named a man to whom it says she was already married. (Reuters)

Kim Dae Jung Names Aide To Overhaul Spy Agency

The Associated Press

SEOUL — President Kim Dae Jung on Wednesday appointed a close aide as intelligence chief and gave orders to overhaul the agency he says once kidnapped and tried to kill him.

Lee Jong Chan, 62, who until recently headed the president's transition team, served at the spy agency during the 1970s, when President Park Chung Hee used it to suppress political dissent.

Despite his background, Mr. Lee is considered to be a moderate conservative.

"Because he has first-hand knowledge of the inner workings of the agency, Mr. Lee will be well-positioned to reform the agency and prevent it from meddling in domestic politics," said a presidential spokesman, Park Ji Won.

During his election campaign, President Kim promised to overhaul the Agency for National Security Planning so that it will focus on its original role of gathering information overseas.

Until the early 1980s, the organization was known as the Korea Central Intelligence Agency. It was used by the country's former military dictators to shadow, kidnap and torture dissidents. Most observers say it has curbed its excesses while keeping a foot in domestic politics.

Fearing he was a threat to South Korea's conservative governments, the agency had painted Mr. Kim as a dangerous Communist for his campaign for greater human rights during the 1970s and '80s.

In 1973, when Mr. Kim was in political exile in Japan, he was kidnapped from a hotel room by KCIA agents. Mr. Kim says U.S. intervention prevented the agents from drowning him in the Sea of Japan. He was released in Seoul several days later.

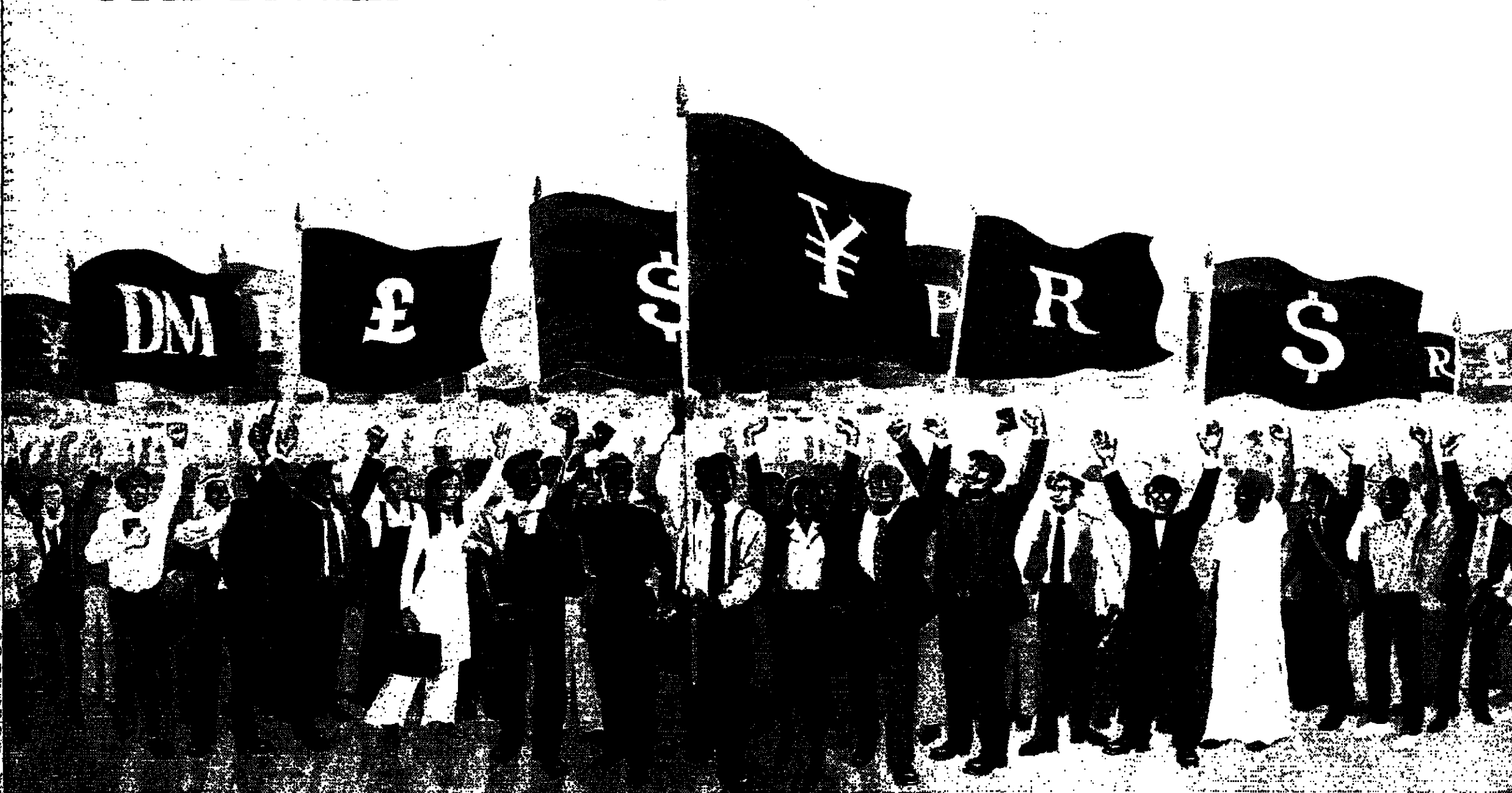
The new spy chief is a graduate of the Korea Military Academy, which produced former military dictators.

Seoul May Send Food Aid

South Korea is considering about 200,000 tons in food aid to North Korea, a newspaper reported, according to Reuters. The Chosun Ilbo said Thursday that the Seoul government planned to announce its plans on Tuesday.

"The government is considering sending food aid to North Korea through several means," the newspaper quoted a government official as saying.

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Depressed Armenia Wonders If Victory Was Worth It

By Daniel Williams
Washington Post Service

YEREVAN, Armenia — By now, people here thought things were supposed to be better, much better, in Armenia.

With the collapse of the Soviet Union, this little corner of the Caucasus won long-sought independence. Everyone dreamed of democracy. The country had friends in Washington. Could prosperity be far behind? Armenia even won a little war along the way to puff up its pride.

But almost all has turned sour. Independence brought not the march of democracy but

a stumble toward autocracy. The last presidential elections were widely regarded as fraudulent and, in any case, the winner was recently deposed in what Armenians refer to as a velvet coup.

Victory in the war with neighboring Azerbaijan looks impermanent. That is particularly alarming because the cost of the conflict was counted not only in lives but also in a crippled economy. Even when compared to other hard-pressed republics of the former Soviet Union, Armenia stands out as a loser.

With new presidential elections scheduled for March 16, the country is fast approaching a crossroads. "We had an illusion of greatness

and now we are climbing down from the dream," said Lyudmila Harutyunyan, a sociologist. "Now everyone sees that there must be change and some measure of realism."

The central issue of the campaign is the fate of Nagorno-Karabakh, the small, mountainous, ethnic Armenian enclave that Armenia won from Azerbaijan in a six-year war. Armenians are now debating whether possession of Nagorno-Karabakh stands in the way of Armenia's overall well-being.

Russian-supplied arms and a superior officer corps gave Armenia the victory there. In an elaborate fiction, Nagorno-Karabakh declared itself an independent republic. A ceasefire was arranged in 1994.

Azerbaijan refuses to accept the outcome, and time seems to be on its side. Armenia is weakening. Its borders with Turkey and Azerbaijan are closed, and other outlets, through Iran and Georgia, are tenuous. Soviet-era factories remain shut and unemployment is estimated at 45 percent. A country born to attract a far-flung diaspora is losing population through emigration and a low birth rate.

Azerbaijan, on the other hand, is flush with oil. Lobbyists in Washington promote its cause in Congress. At some point, the combination of wealth and influence may undo the battlefield result, some Armenians fear.

Prominent among the doubters was Levon Ter-Petrosian, the ousted president. Last November, he wrote a controversial essay in which he pressed for compromise as an alternative to further war.

"Let us not be preoccupied with self-deception," he wrote, adding, "On the issue of Nagorno-Karabakh, we have no allies. Our only ally is to reject adventurism."

Unfortunately for Mr. Ter-Petrosian, he lacked the political backing to present such a stark choice. His 1996 election was marred by fraud, and he became remote and dictatorial in the months since. A few phone calls from the Defense and Interior ministries were enough to send him packing; he resigned in early February. "Certain power bodies you all know demand my resignation," he said, using an old Soviet euphemism for the police and army.

Mr. Ter-Petrosian's sin was acceptance of a step-by-step approach to resolving the Nagorno-Karabakh conflict. Under a formula proposed by the "Minsk group" of negotiators, in which the United States plays a lead role, Armenia would surrender some buffer zones to Azerbaijan and allow refugees to go home, while international peacekeepers would be deployed in Nagorno-Karabakh. Talks on the final status of Nagorno-Karabakh would be put off.

Mr. Ter-Petrosian's shift toward compromise grew out of persistent hardship in Armenia. Yerevan, the capital, shows the signs of economic depression. Few businesses are opening, and none of the fresh glitter of new capitalism livens the streets. Building facades are unpainted, youths idle, services lacking. The scene is an improvement over 1993 and

1994, when electricity was cut off and residents burned furniture and books for heat, but there is a feeling the country is going nowhere. "The only option now is a compromise," Mr. Ter-Petrosian warned. "We can't wait."

Meanwhile, Armenia is losing out in the regional oil sweepstakes. It would have been a natural route for a pipeline from Azerbaijan. The pipeline and revenue from it are now likely to go to Georgia. The border with Turkey, regarded as a natural trading partner, is closed in solidarity with Azerbaijan.

"Never have the stakes in Nagorno-Karabakh been clearer," said Vahan Oskanian, the foreign minister.

Opponents of compromise see in such comments the outlines of a sellout. They argue that the sacrifices already made preclude rather than invite a change of heart. Nagorno-Karabakh authorities reject the step-by-step approach. They argue that a solution must come in the form of a package deal, including an agreement about the final status of the enclave.

Acting President Robert Kocharian, the favorite to win this month's election, says he prefers a package deal. Mr. Kocharian embodies the tangled fates of Armenia and Nagorno-Karabakh. He is a native of the breakaway region, and was its president until last year, when Mr. Ter-Petrosian named him prime minister. He is running for president despite a rule that candidates must have resided in Armenia 10 years.

The fate of Nagorno-Karabakh ignites passions in Armenia, and it takes little time for a discussion to turn heated. At a market in central Yerevan the other day, a fruit and nut vendor went at it with a truck driver. Their debate is essentially the one that Armenians will carry on in advance of the vote.

"We should give it back — it's a burden," the truck driver said flatly.

"It's ours," the vendor replied with assurance.

"Then you go fight for it," the driver retorted. A crowd gathered.

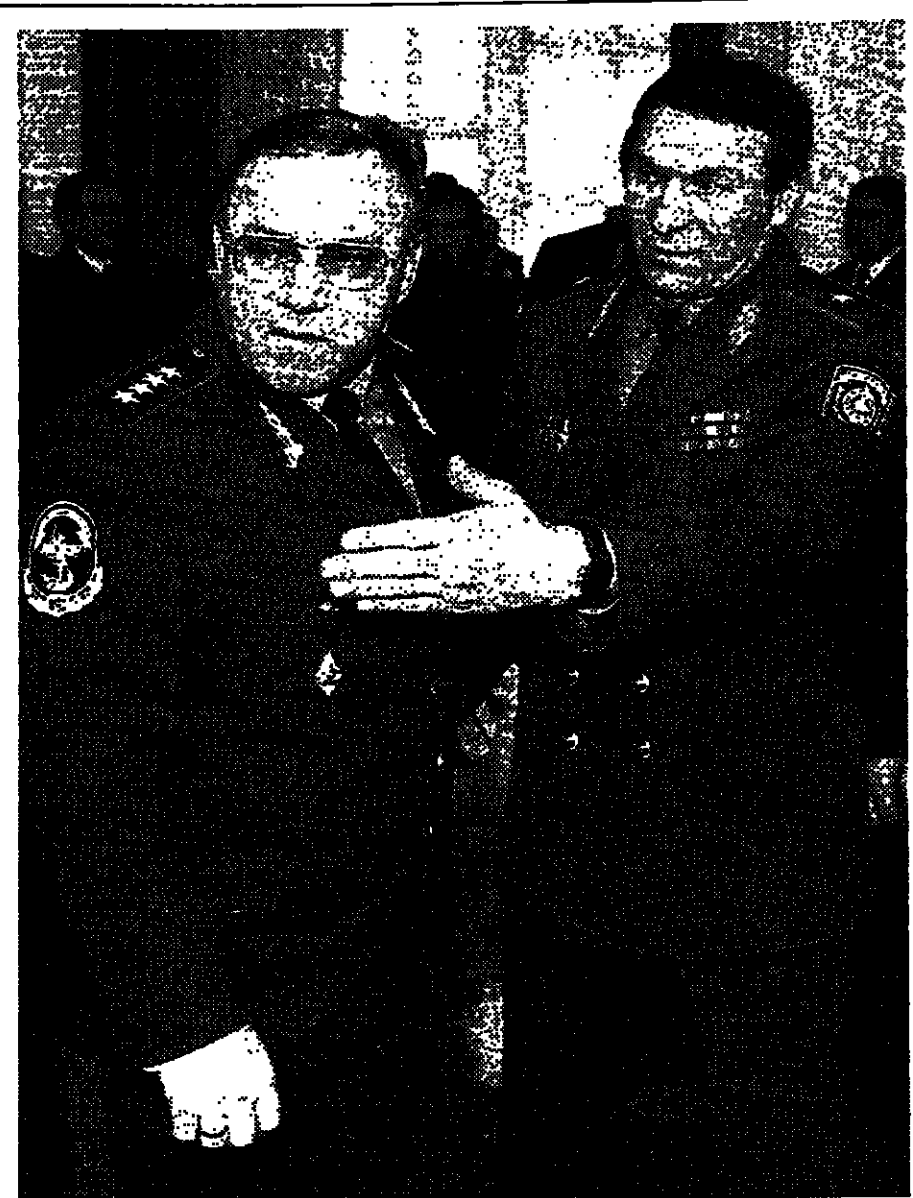
"We can't give it up just so. Armenians have lived there for a long time."

"We must compromise."

The word compromise set off a shouting match over the worth of Nagorno-Karabakh, scaring off the few customers interested only in buying nuts.

Emotions over Nagorno-Karabakh seem to be a legacy of Armenia's tragic 20th-century history. The 1915 massacre of a million Armenians at the hands of Turks forms the psychological landscape of Armenian identity. Violence against Armenians in parts of Azerbaijan in the 1980s revived old fears. Having triumphed on the battlefield, some Armenians are reluctant to surrender now.

"For better or worse, this war gave us self-esteem," said Miss Harutyunyan, the sociologist. "The 20th century started off with humiliation; now we've won a war. Maybe it's emotional, maybe we're the last of the romantics, but this is a feeling that anyone who compromises will have to deal with."



MINSK TALKS — The Belarusian interior minister, Valentin Avdeyevich Gerasimov, right, ushering his Russian counterpart, Anatoli Kulikov, into talks on Wednesday.

Murdoch Says HarperCollins 'Screwed It Up' Over Patten

Owner Criticizes the Way China Book Was Dropped

By Warren Hoge
New York Times Service

LONDON — Rupert Murdoch blamed HarperCollins executives on Wednesday for having "screwed it up" in the clumsy dropping of the publication of a book by Chris Patten, the last British governor of Hong Kong.

The decision, attributed to Mr. Murdoch's desire to avoid antagonizing the leaders of China, where he has large media investments and ambitions, had left him "in a completely inexcusable position," he said in an interview published in The Times of London. The newspaper, like HarperCollins, is part of Mr. Murdoch's News Corp.

Managers at HarperCollins last month ordered Stuart Proffitt, the publishing house's top editor, to tell Mr. Patten that his book had not lived up to expectations and would not do well commercially. Mr. Proffitt, who had publicly praised the book as the most lucid and intelligent he had ever read by a politician and a sure best-seller, refused and was suspended.

He is suing HarperCollins for breach of contract as is Mr. Patten, whose memoir is now being published by Macmillan.

Mr. Murdoch faulted his subordinates for inventing "nonsense" reasons why they were reversing course on publishing the book when, he

said, he had been clear from the outset that he did not want HarperCollins involved.

He said he thought the only damage to the firm was "in a PR sense because our people cocked it up at the end."

"I just regretted that our people weren't more forthright about it at the very beginning when I was with them," he said.

Mr. Murdoch said the initiative to get rid of the book had been entirely his and that he had "never been under any pressure from the Chinese or asked to do anything."

He said he had never been enthusiastic about Mr. Patten, who in his four years in Hong Kong abandoned Britain's policy of accommodation with Beijing and sought to spread democracy in the colony, attracting vilifying comments from the leaders of China.

"I think he made a bit of a fool of himself out there after suddenly discovering democracy at the end of a 100-year rule," Mr. Murdoch said.

He added that the issue was being "whipped up by the obvious papers," a reference to a campaign in a number of competing British papers to get the government to act against Mr. Murdoch for "predatory pricing." He has drastically reduced the price of The Times in recent years and seen its circulation climb at the expense of its rivals.

The Times was faulted last

week for ignoring the story of Mr. Patten's book when every other news outlet was giving it extensive coverage, and Wednesday the paper came under criticism from one of its own writers for allegedly slanting its coverage on China to suit its owner.

Jonathan Mirsky, The Times's former East Asia editor, said: "The Times has simply decided, because of Mr. Murdoch's interests, not to cover China in a serious way." In comments made in January but only gaining attention now through an Internet posting, Mr. Mirsky said he had a transcript of a conversation in Beijing between the paper's editor, Peter Stothard, and President Jiang Zemin of China in which the journalist apologized for having put a question to the Chinese leader about the disident Wei Jingsheng.

No word of the interview was published, Mr. Mirsky said, adding that the episode amounted to "lowering ourselves in our own toilet."

Mr. Stothard responded in a lengthy statement Wednesday, saying that Mr. Mirsky's description of his trip to China was a "travesty of the truth" and asserting that "the China coverage of The Times is solely in the hands of the editor." Mr. Stothard added: "I have never taken an editorial decision to suit Mr. Murdoch's interests. Nor have I ever been asked to."

GERMANS: Ex-Soldier, 78, Seized as Murderer

Continued from Page 1

and killed 500 people, including women and children, during a two-day killing spree called "Operation Harvest Festival" in November 1943 at the Majdanek death camp in eastern Poland.

The camp was built in 1941 and became a principal site to kill Jews. By 1944, some 360,000 of the camp's 500,000 inmates had died in its seven gas chambers or as a result of brutal treatment by prison guards.

Ms. Mayländer said preliminary evidence indicated that Mr. Goetzfried and his secret-police unit might have been involved in the deaths of more than 70,000 people,

mostly Jews in Ukraine and Poland, from 1942 to 1943, two years before the war ended.

She said he would remain in investigative custody until a formal prosecution could be prepared.

Arrests of war crime suspects in Germany have become extremely rare in recent years since many have died or long ago fled the country to assume new identities abroad.

The last major trial in Germany involved Josef Schwammberger, the Nazi commander of a Jewish ghetto and slave labor camp in Poland, who was sentenced to life imprisonment in 1992. After German unification in

1990, investigators believed that voluminous and detailed files amassed over the years by East German state security, or Stasi, agents would lead to a new wave of arrests among Nazi war crime suspects still living discreetly on German territory.

Willi Dressen, head of investigations into Nazi crimes at the central office in Ludwigsburg, said in a phone interview that 28 cases gleaned from the East German files were still under scrutiny.

But he said it was doubtful that most of them would culminate in trials because in many previous instances, the suspects died before investigators could issue arrest warrants.

BRIEFLY

Jospin Pledges Not to Re-Convicted Italian Terror

PARIS — Prime Minister Lionel Jospin pledged Wednesday not to extradite more than 150 convicted terrorists who have been living in France, de facto into the European Schengen free-move zone. The fate of almost 200 Italian extremists who acts of terror has been hanging in the balance Italy joined the Schengen agreement in October. In a letter received by one of their lawyers, Mr. Jospin said he would abide by a 1985 deal by former President Francois Mitterrand "no people who have renounced their former active often made a new life in France."

Paris Unveils Plan to Aid

PARIS — The Socialist government in Wednesday unveiled a 51.4 billion franc (3 plan to fight deprivation in a country where hold in 10 lives below the poverty line.

The plan was welcomed by President Jacques who was elected nearly three years ago on an ticket, but did little to implement his promise. Labor and Solidarity Minister Martine Auzanet the anti-poverty plan at a regular meeting presided over by Mr. Chirac.

Jewish Wartime Assets F

STOCKHOLM — A Swedish commission gaging Jewish assets lost during World War 649 Swedish bank accounts and safety-de dormant since 1945, the panel announced Wednesday. The Commission on Jewish Assets in Swe accounts contained about 7.5 million Sw (993,500), and were held by people representing various nationalities.

War Crime Suspect Surre

SARAJEVO, Bosnia-Herzegovina — A B indicted for war crimes by the international tr Hague surrendered to NATO-led peacekeepers Wednesday. "He turned himself in early noon," said Lieutenant Commander Lou spokesman for the peacekeepers. Dragoljub Kunarac, 37, handed himself over troops at a base in the village of Filipovici, si north of Foca in southeastern Bosnia. Garneau said. A commander of Serb vol during the 1992-95 Bosnian war, Mr. Kunarac by the tribunal with orchestrating sexual ass. Bosnian women and raping three victims including a 15-year old girl.

Truck Hits London Palac

LONDON — A truck driver crashed thro Buckingham Palace and was arrested after t stopped by a barrier. Police said the truck involved in collisions with several vehicles b ing the palace. The driver was released on b

EUROPE

After the Rampage: Bodies of 14 Kosovo Albanians Return Home



Ethnic Albanians in Kosovo on Wednesday mourning those killed in the Serbian police sweep over the weekend.

By Chris Hedges
New York Times Service

LIKOSANE, Yugoslavia — A red Mercedes truck rumbled past a yard filled with distraught women sitting on wooden planks set on concrete blocks and unloaded its cargo of 14 mutilated corpses in a farm shed.

The bodies, many with eyes gouged out and gaping wounds, were wrapped in blankets and rugs. They were silently passed out of the truck, laid on wooden coffin lids and wound in white shrouds by a Muslim cleric in a red turban.

In the hasty effort to confer some dignity on the dead, family members entered the shed and tried to wash the faces of brothers, fathers and children. Many broke down, and most had to be escorted from the room.

The dead, some of the 24 people killed over the weekend in the most brutal sweep to date by Serbian policemen and paramilitary units against rebels of the Kosovo Liberation Army, bore the marks of torture and summary execution that were the hallmarks of Serbian forces during the war in Bosnia-Herzegovina.

The testimony of the survivors, many of whom were badly beaten, added weight to accusations that the Serbian policemen and paramilitary soldiers in black uniforms went on a rampage after four of their colleagues were killed over the weekend in two ambushes — lashing out with fury at ethnic Albanians who

live in areas where the rebels operate.

One of the wounded, Sefer Nebiu, sat in a room here 40 kilometers west of Pristina, the provincial capital, hooked up to an intravenous tube. He was shot twice through the leg as he huddled with his family hoping to evade scores of policemen who descended on them looking for weapons and rebels.

The Kosovo Liberation Army, which is fighting for independence for the province, has mounted a string of attacks in recent months that has left at least 50 dead. The rebel group has wide support in a part of Serbia where only 10 percent of its 2 million people are Serbs and the rest are ethnic Albanians.

"We were in the room trying to protect ourselves when a helicopter opened fire on the village," Mr. Nebiu said. "Armored personnel carriers began to shoot and finally the police units arrived, all with heavy weapons. The police smashed the window. I yelled out that we were unarmed and the door was open. They pointed the barrels of their guns at us and opened fire."

Mr. Nebiu's son and daughter-in-law, Xhemshir and Rukie Nebiu, were killed when the police sprayed the room with bullets. Mrs. Nebiu's skull was shattered by a round as she was being cradled by her father-in-law.

As the wounded lay groaning, a 72-year-old neighbor, Mohammed Islam Gjeli, grabbed an ax to fight the police who burst into his house, survivors said.

He and his son, Naser, were both shot and killed.

The result of the resistance by the father and son was evident in a lengthy trail of blood that ran from the front room of their home down the steps into the yard. It appeared that the bodies of the two men had been dragged some distance by the police. The bodies later turned up in the Pristina city morgue.

"I saw most of the bodies," said Bajram Gashi, a doctor at the small village clinic run by the Sisters of Charity, "and many of them had powder burns suggesting point-blank executions."

Fibza Ahmeti, 35, clutched the up-lifted finger of her 3-year-old son, Rustem. Her face was ashen, her white handkerchief askew on her head and her eyes wide with shock and exhaustion.

Mrs. Ahmeti's husband, Hamze, and nine members of the Ahmeti family were rounded up by police units, beaten with rifle butts and marched away. On Monday night, Mrs. Ahmeti received a notice from the Pristina morgue that all 10 were dead. It was the bodies of the Ahmeti family, and four other victims who were later identified by relatives, that were being unloaded from the truck.

"We heard the men scream in pain when they were out of sight," she said, "and then we heard nothing. All of the women and children were herded into the yard while the police looted our homes, stealing everything we had of value, including our gold. The police stayed in our homes for a day, drinking, cooking their meals and sleeping. We had to stay outside and were not allowed to move from the yard."

Survivors contend the police also picked out the younger women and dragged them away to rape them.

"There are things they did to the women that are too sordid to be mentioned," said Shaban Shala, vice president of the Council for the Defense of Human Rights, an ethnic Albanian group.

About 40,000 people gathered on the barren hillside above the village Tuesday morning and stayed until the 14 bodies arrived at dusk. Most of the mourners, and some of the few foreign reporters, had to walk through the hills into the village to avoid police roadblocks. The crowd waited patiently for the 24 victims who were killed this weekend to be laid out in a row in front of a small platform made out of four farm wagons.

Sheremet Sejdiu, 58, sat at the head of four white shrouds that held the bodies of his sons. He clutched a 3-year-old grandson and tried to explain that the corpse in front of him was his father, receiving each time a blank, uncomprehending response.

"No one yet has managed to grasp what has happened," said Osman Sejdiu, 53. "My nephews were killed moments after the police entered the village. No one ever questioned them or asked them who they were. They were Albanians. In Serbia, this is cause enough to die."

British Minister in Bosnia

Foreign Secretary Robin Cook of Britain arrived in Bosnia on Wednesday to check on the state of peacemaking efforts as the escalating violence in Yugoslavia threatened new instability in the Balkans, Reuters reported from Sarajevo.

Mr. Cook held talks with the Muslim, Croatian and Serbian members of the country's collective presidency.

British officials said he planned meet in Yugoslavia with President Slobodan Milosevic and ethnic Albanian leaders.

Blair Condemns
Ulster Pub Killings
But Stays Hopeful

BELFAST — Prime Minister Tony Blair on Wednesday condemned the latest killings in Northern Ireland as a "dreadful atrocity" but said prospects for peace remained good.

He spoke after a Protestant and a Roman Catholic, lifelong friends, were shot to death as they had a drink at a village pub in Northern Ireland on Tuesday night.

"There will always be extremists who seek to disrupt a process such as the peace process in Northern Ireland," Mr. Blair said in a statement. "They must not be allowed to get their way."

"It remains the case that on any objective analysis the prospects for a settlement are good, and we have to work towards that with renewed vigor and determination. Democracy must defeat evil."

He spoke after two masked men burst into a bar in Poyntzpass, a village south of Belfast, ordered the two men to lie on the floor and opened fire. Two other people were wounded in the late-night shooting.

"Guinness entered a bar and opened fire on the victims when they were in a completely defenseless position," said the Royal Ulster Constabulary chief, Ronnie Flanagan.

The police said they had arrested three people in connection with the murders. Local politicians attributed the attack to Protestant "loyalists" opposed to the peace process.

The bar, in a village where Protestants and Catholics live peacefully side by side, was owned by the brother of a politician from the Catholic Social Democratic and Labour Party.

The incident was the latest in a series of sectarian attacks apparently meant to undermine multiparty talks designed to produce proposals for the future running of the province to be submitted to all-Ireland referendums on May 7.

About 20 people have been killed since Christmas in a spate of attacks. Britain and Ireland temporarily suspended the Irish Republican Army's political wing, Sinn Féin, from the talks last month after Northern Ireland police said the IRA was involved in two recent shootings.

NATO Plans to Maintain Bosnia Force at Current Strength in '98

By R. Jeffrey Smith
and Bradley Graham
Washington Post Service

WASHINGTON — The United States and its North Atlantic Treaty Organization allies have decided to keep the international peacekeeping force in Bosnia at its current size of roughly 31,000 troops through the end of this year, while agreeing on a slight reduction in the number of U.S. troops included in the force, according to senior American officials.

NATO's decision not to reduce the number of troops after the existing peacekeeping mandate expires in June reflects wide apprehensions that the national Bosnian elections slated for mid-September could give rise to new ethnic clashes, and a broad conviction that a substantial troop presence is needed to deter new violence, the officials said Tuesday.

The officials said NATO members had agreed that even though Bosnia has been at relative peace since December 1995, the country remains politically tense and civil reconstruction efforts have a long way to go. "We're some way away from having the deterrence mission completely finished," a senior U.S. military officer said.

General Wesley Clark, who commands NATO troops, told a Senate hearing that because of the fragility of the peace and the uncertainty of the elections, his staff had not considered a specific timetable for reducing the peacekeeping force, let alone withdrawing it altogether.

As a result, the name of the so-called Stabilization Force will remain the same, and its military mission will be unchanged for the foreseeable future.

General Clark also confirmed that the option NATO had selected — to keep the force level constant — was the "most aggressive" option of the choices it seriously considered.

Congressional critics of the peacekeeping effort have said in the past that they feared the U.S. military was becoming mired in Bosnia, and demanded a deadline for an American withdrawal. But General Clark and other officials have said that this year they oppose setting any deadline, and several Republican lawmakers predicted Tuesday that this view would prevail on Capitol Hill.

France and Germany had initially sought a U.S. commitment to automatic reductions after the elections. But NATO ultimately decided the reductions would be pegged to benchmarks that are still being discussed, including such goals as resettling a

substantial number of refugees and creating new, joint political institutions and linkages between ethnic groups, officials said.

At American prodding, NATO has already agreed that the American share of the peacekeeping burden — now at roughly 7,800 troops — should drop to around 6,900 or 7,000 troops after June. This is not as low as Defense Secretary William Cohen and Samuel Berger, the national security adviser, had initially said was needed to appease skeptics on Capitol Hill. But General Clark and other senior American and NATO officials argued successfully against making deeper reductions without changing the military's mission.

To ensure that the remaining U.S. force can respond to any potential conflict, the reductions are not expected to be taken in combat forces, but in secondary forces responsible for logistics, engineering, artillery and aviation, with European forces picking up the added burden, the officials said.

In another move that will have the effect of reducing the U.S. burden, NATO also accepted Washington's plan to form a new military contingent of several battalions, most likely composed of non-U.S. forces, that will be on call to respond

first to episodes of civil unrest, the officials said. This will add a new buffer between regular military troops and any localized violence.

"We are very pleased with the NATO decision," which matched all of Washington's key preferences, said Robert Gelbard, special representative to President Bill Clinton.

Mr. Gelbard said that the new military arrangements, which have yet to be funded by Congress, should enable the West to press more aggressively for the completion of two key goals: resettling hundreds of thousands of Bosnian refugees in their prewar homes and ensuring that recently elected officials can govern peacefully in key towns.

Details of the new military contingent are still being finalized, but a senior American official said he expected a total of 600 to 800 personnel to be allocated to two battalions kept in reserve under the operational command of the senior NATO officer in Bosnia.

They will most likely be composed of troops with police and military training from France, Spain, Italy, Poland, the Netherlands, Argentina and Germany, including some that are already in Bosnia, officials said. But an American official complained that Germany was so far "refusing" to contribute to the contingent.

EU Reopens File
On Turkish Ties

The Associated Press

BRUSSELS — The European Commission, trying to draw Turkey closer to the European Union without actually letting it in, presented its first proposals Wednesday in a new strategy for dealing with Ankara.

That essentially involves broadening the existing customs union between Turkey and the European Union, which opened markets on both sides, and calls on Greece to lift its blockade on EU funds for Turkey.

EU leaders officially rejected Ankara's application for membership at their summit meeting in December, saying Turkey was politically and economically unprepared and still had serious human rights problems.

The leaders ordered the European Union's executive body to define a strategy to prepare Turkey for eventual entry.

The Turks, angered by their rejection and the European Union's decision to open membership negotiations with the Greek part of Cyprus, have refused all political dialogue with the European Union, but want to pursue economic relations.

Turkish officials viewed Wednesday's proposals with cautious optimism.

Hans van den Broek, the EU commissioner for foreign relations, said: "We would very much urge the Turkish government to continue cooperation with the European Union. Turkey is, and remains, a key partner to the European Union despite the difficulties we have."

The European Commission proposed extending the customs union to include services and the agriculture sector.

In addition, the European Commission advocated closer cooperation in such areas as telecommunications, investment, scientific research, environment, transportation, energy and consumer policy.

"I think our reaction will be wait-and-see," said Selim Yemel, the chargé d'affaires at the Turkish mission to the European Union.

He added: "The commission has gone as far as it could go."

"They have made some progress. But of course everything is still on paper," he said.

While the commission makes proposals, action has to come from the Council of Ministers, made up of ministers member governments.

The Council of Ministers — and in particular Greece — has been holding up approval of 375 million European Currency Units (\$408 million), destined for Turkey.

This in turn has been holding up hundreds of millions more in loans from the European Investment Bank.

"The commission did its best," said Mr. Yemel. "But it's not entirely up to them."

The European Union decided at its summit meeting to open negotiations with six countries: Poland, Hungary, the Czech Republic, Slovenia, Estonia and Cyprus.

In addition, the European Union offered preparatory talks to five more countries, not considered ready: Romania, Latvia, Lithuania, Bulgaria and Slovakia.

Turkey, long a staunch member of the North Atlantic Treaty Organization, did not even make the list of also-rans for EU expansion.

Mr. Van den Broek said Turkey's "expectations had been too high" at the summit meeting.

He also called Wednesday's proposals "a further step on the road to bringing Turkey into the European Union structure."

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Successful Growth and Favorable Outlook.

Excerpts from Chairman Pierre Bellon's address to the Annual Meeting of Shareholders, February 24, 1998

1996/1997 FINANCIAL HIGHLIGHTS

Over the year, consolidated sales increased by 18 percent to FRF 29.5 billion, broken down as follows:

- Organic growth 7 percent
- Acquisitions 11 percent
- Currency effect 10 percent
- Operating margin widened to 4.7 from 4.5 percent, continuing the steady growth trend of the past five years.

Group share of Consolidated net income totaled FRF 540 million, a 34 percent increase from the previous year's Group share of consolidated net income before non-recurring items. At constant exchange rates, the increase came to 29 percent.

RECENT DEVELOPMENTS

Last September 30, Sodexo Alliance and Marriott International, Inc. agreed to combine their Food and Management Services businesses in the United States and Canada in a new company known as Sodexo Marriott Services, Inc. To finance the transaction, we increased our capital by FRF 2 billion in November by issuing 835,770 new shares at a price of FRF 2,400 per share. Shareholders responded very positively to the issue.

Sodexo Marriott Services, Inc. will be North America's leading provider of Food and Management Services, with more than 4,800 operating accounts, FRF 24 billion in sales and 100,000 associates. Its shares will be listed on the New York Stock Exchange.

The merger is taking place in a positive environment and should be completed at the end of March.

Separately, on October 31, Sodexo-Gardner Merchant acquired Marriott International's Food and Management Services business in the United Kingdom.

OUTLOOK

The creation of Sodexo Marriott Services, Inc. represents an exceptional opportunity for our Company. Although we led the Food and Management Services market in Europe and the rest of the world prior to the merger, we ranked only fourth in North America, far behind the market leader. With Sodexo Marriott Services, Inc., we will be number one in North America, thereby strengthening our global leadership.

• Once again, Sodexo Alliance has gained new scope and depth.

Over a full year, i.e., in fiscal year 1998/1999, we will have around FRF 56.5 billion in sales, more than FRF 3 billion in operating profit and more than 210,000 associates. In five years, we have multiplied sales by five, operating profit by nine and the number of associates by four.

• We have also changed our profile, with Food and Management Services accounting for a larger share of our revenue stream. In 2000, this business will generate more than 90 percent of our sales and around 85 percent of operating profit. In addition, we are becoming increasingly international. In 2000, more than 85 percent of our sales will be made outside France.

• Our debt has increased, limiting our ability to make new acquisitions.

After three years of alliances and major acquisitions — Gardner Merchant, Partena, Sodexo Marriott Services, Inc., Sodexo Alliance will now enter a phase of consolidation. During this period, we will focus on developing internal synergy and enhancing organic growth:

• Synergy will be created through the cross-fertilization of skills and the development of economies of scale in the country operations, with the support of our global network. To do this, we will reduce purchasing costs, optimize restaurant working methods, negotiate international agreements with global suppliers, rationalize management structures, redeploy sales forces, forge agreements with global customers, eliminate redundant development costs, optimize new product and service development resources, and share IT development and training expenses. Throughout our corporate community, we will expand efforts to share and spread innovative ideas, management methods and quality programs.

• All our businesses enjoy strong potential for growth, especially Food and Management Services. We need to focus on organic growth, whose return on investment exceeds 50 percent. In-depth strategic studies undertaken in France, Italy, the US and the UK are helping us to increase sales and earnings faster. They are also providing methodologies that will be transferred to other countries. Thanks to steady, predictable growth in cash flow, we will recover our full investment capacity in a little more than three years and be able to make new acquisitions.

• The current year will be one of transition.

Based on currently available data and in light of the capital increase, earnings per share should increase by approximately six percent in fiscal year 1997/1998. Over the next three fiscal years, earnings per share, after amortization of goodwill, are expected to grow by an average 20 percent a year.

Since our Company was founded in 1966, it has grown into an international enterprise, but its strategic mission has remained the same:

- First, to continuously improve client and customer satisfaction. This means listening carefully to their needs, diversifying our food services, developing a comprehensive offering of other services, and pursuing our strategic commitment to quality and innovation.
- Second, to develop our human capital. We encourage the emergence of entrepreneurs by decentralizing decision making and responsibility. We instill a corporate culture in that recognizes individual performance at all levels. We want all our team members around the world to take pride in belonging to the Sodexo Alliance community.
- Third, to meet the expectations of our shareholders. This means increasing earnings per share, keeping you informed and, to the extent possible, getting you involved in the ongoing development of your Company.

I am convinced that the mutual bond of loyalty and trust between our customers, our employees and our shareholders will secure our sustainable development long into the future.

In today's global marketplace, we derive important competitive advantage from our independence, our global reach, the quality of our teams, and our excellent financial position. As you can see, our outlook is favorable.

On behalf of the Board and yourselves, I would like to thank all of our many associates, whose professionalism, dedication and efficiency are each day helping to ensure Sodexo Alliance's success around the world.

Pierre Bellon

DIVIDENDS

The dividend for fiscal year 1996/1997 has been increased 35 percent to FRF 35.00 before associated tax credit (FRF 52.50 including tax credit). It will be paid on March 5, 1998. Total payout amounts to FRF 263 million, corresponding to 49 percent of consolidated net income less minority interests.

* * *

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Sodexo Alliance worldwide leader in food and management services

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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

India's Delicate Passage

India is once again entering a delicate and dangerous political period. After another tumultuous campaign, the main Hindu nationalist party has fallen just short of a parliamentary majority, but it still won more seats than any other party.

Whether it will be able to form a government, or even be invited to do so by President K.R. Narayanan, is an open question. As competing factions seek to round up majorities, the clash of ideologies and jockeying over spoils in the next few days will probably test India's stability and cohesion.

In the last election, two years ago, the Bharatiya Janata Party, or Indian People's Party, as the Hindu nationalist organization is known, also won a solid plurality. But it failed to attract enough parliamentary support to form a viable government because nearly every rival group refused to sign on to the party's noxious brew of Hindu chauvinism.

This time, because the Hindu party has fallen only about 20 votes short of a majority, it seems in a better position to pick up the necessary votes to form a government.

In the latest campaign the party's leader, Atal Bihari Vajpayee, tried again to portray himself as a moderate on religious issues.

Though he has not gone so far as to repeat the party's pledge to dismantle India's long-standing protections for the country's Muslim minority, he has

promised vaguely to act only on the basis of a consensus.

The problem is that Mr. Vajpayee's intentions might not be enough to rein in the militant Hindu chauvinists, with their vision of India as a Hindu state.

The rival claimant for power is an uneasy coalition led by the Congress (I) Party, which scored a more impressive showing than seemed possible a couple of months ago.

The Congress Party's success was a tribute to Sonia Gandhi, the Italian-born widow of former Prime Minister Rajiv Gandhi and the daughter-in-law of former Prime Minister Indira Gandhi. Sonia Gandhi drew large crowds while defending India's secular tradition and reminding people of her family's leadership and sacrifices.

It will not be easy for the Congress Party to gain the trust of other political organizations in its bid for power. The temptation to put Mrs. Gandhi forward as a figurehead should be resisted. Though she showed courage and conviction in the campaign, she has never done anything to qualify as the political leader of a sprawling and fractious nation.

At this moment of maximum volatility, Mr. Narayanan needs to move swiftly to pick the party or coalition most likely to stay in power long enough to tackle the country's immense social and economic problems.

—THE NEW YORK TIMES.

Gates on the Hill

Bill Gates's appearance Tuesday before the Senate Judiciary Committee lacked the drama of when, early in the century, Congress hauled in J.P. Morgan to defend Wall Street's frightening reach into the sinews of the economy.

Tuesday's hearings also lacked the impact of turn of the century investigations of Standard Oil's manipulative stranglehold — an inquiry that informed later antitrust law and court doctrines.

Even so, it was a moment of no small importance — the first confrontation between the information age's wealthiest and most gifted entrepreneur and a Congress that is trying to figure out whether Mr. Gates is the consumer's best friend or a crafty monopolist determined to crush all competitors.

Diplomatically polite to his senatorial hosts, Mr. Gates nevertheless gave little ground on matters of substance and offered some dubious new twists on standard economic terms.

Despite Microsoft's 90 percent share of the market for operating systems, he said, the company could not be called a monopoly because its choke hold might disappear tomorrow.

He insisted that his contracts with equipment manufacturers and Internet service providers did not prohibit their customers from buying rival software. But he failed to point out that some of those contracts placed high hurdles between customers and non-Microsoft products.

Mr. Gates was joined on the panel of witnesses by two critics and competitors. One was Jim Barksdale of Net-

scape, whose browser, Netscape Navigator, is under pressure from Microsoft's Explorer.

Another competitor was Scott McNealy of Sun Microsystems, which sells software that Mr. McNealy hopes will replace Microsoft's Windows.

To Mr. Gates they are whining losers, but while they provided little more than sound bites, both offered an unmistakable message — Microsoft is a monopoly whose predatory practices deserve prosecution under the antitrust laws.

They are certainly right about the monopoly part, but what is the government's proper response? A single operating system like Microsoft's simplifies the tasks of writing, selling and using software. That helps consumers. But with monopoly also comes the potential for abuse. So where should the Justice Department draw the line?

This page has argued for the following antitrust test: Are Microsoft's practices driven largely by technological necessity, yielding significant consumer benefits? Or has Microsoft designed and marketed its operating system, Windows, for the purpose of blocking consumers from doing business with its rivals? If the latter is the case, then the antitrust laws are an ample remedy.

Bedazzled or simply numbed by their star witness, the senators did not entertain this or any other course of action Tuesday. The Justice Department will have to look to itself for answers.

—THE NEW YORK TIMES.

America in Arrears

Kofi Annan spent a year pushing reform at the United Nations and producing results that won respect from sober critics of its managerial, budgetary and administrative horrors. He was to go to Washington this week to urge Congress to pay the \$1 billion-plus in American arrears.

But that was before Mr. Annan's mission to Iraq filled the screen. From earnest reformer, the otherwise low-profile secretary-general became controversial diplomat. He put off his trip to Washington ostensibly to work on a new Iraq resolution. But the American debate shifted ineluctably to the ways of the United Nations. The campaign to induce the United States to pay up was marooned.

As the Senate majority leader, Trent Lott, put it, "I am a lot more interested in what the UN is doing or not doing in Iraq than I am in talking with [Mr. Annan] about the UN arrears."

This is unfair. About Mr. Annan's Iraq achievements, opinions vary. Some people think he served peace and saved the United States a bombing fiasco. Others, including us, wonder if

the Annan agreement will hinder UN arms inspections. But that is not the issue before Congress. Congress is, or should be, seized of the question of whether the United States will respect its solemnly undertaken financial and political obligations.

The point is not that the United Nations does not act like a branch of the American government. It is that the United Nations is an often maddening but still valuable instrument of American policy.

The arrears have led an unchained life in American politics. To the still unresolved abortion battle that has plagued consideration of the issue has now been added a battle over the State Department's alleged amendments to the deal.

All this is discouraging. But the United Nations is too important to a broad range of American interests to allow issues irrelevant to the American commitment to the organization to intrude. Reform, Congress ordered. The United Nations is delivering. It is the United States' turn to act.

—THE WASHINGTON POST.

A Change of Fortunes for Iraqi Opposition Leader

By Jim Hoagland

WASHINGTON — Six months ago Ahmed Chalabi, Saddam Hussein's most persistent and effective Arab political opponent, was a pariah in this town.

Desk officers in the U.S. government's Middle East bureaucracy would not return Mr. Chalabi's calls when he visited. The CIA was bad-mouthing him to reporters.

It was a grim time for a man who has been an honest, observant and reliable interpreter of Iraq since we met in Beirut 26 years ago. Our friendship survived my departure from the Middle East a few years later, several wars in the region and numerous betrayals of Mr. Chalabi's cause by successive American governments.

Despite his own unrelenting confidence on recent visits here, I felt growing apprehension for this cultivated Iraqi banker, mathematician and revolutionary.

But tomorrow is always another day in the life of an exile politician. On Monday, Mr. Chalabi appeared before the Senate subcommittee on the Middle East and got a sympathetic hearing for his new, detailed parliamentary plan for undermining Saddam's reign of terror.

Mr. Chalabi is suddenly sought after by officials at the Pentagon and State to talk

about low-intensity conflict scenarios.

Republican senators have taken up Mr. Chalabi's years-old campaign to have Saddam declared a war criminal and tried by an international tribunal. Some of these lawmakers speak of guiding tens of millions of dollars toward a reactivated, united Iraqi opposition.

Mr. Chalabi has been delivered from the hands of the spies, with whom he worked for a few years, and the U.S. government's Arabist ideologues (who disdain his willingness to work with Iraq's Kurds and other minorities) into the hands of American politicians. My reaction wavers between "Hallelujah" and "Oh no."

On balance the arrival of the politicians, however late, is good for Mr. Chalabi. They will open up a debate about change in Iraq that Washington's area experts, bureaucrats and military commanders always struggle to shut off.

What changed Mr. Chalabi's fortunes? Nothing new that he has done.

Instead, the Clinton administration bungled into yet another confrontation with Saddam. It was forced to acknowledge at the end of the day that it was

incapable of overthrowing the Iraqi dictator with anything less than a replay of Desert Storm, which this administration is incapable of mounting. That left a political vacuum into which Trent Lott and others have rushed.

Kofi Annan's stomach-turning praise of Saddam also energized Mr. Lott. Jesse Helms and others who detest Saddam but who hate the United Nations. The Iraqi opposition has suddenly become a national issue in American politics, with the Republicans eager to showcase Bill Clinton's mistakes and neglect of Iraq — an all too easy task.

Long crowded into silence by memories of the warm embrace that George Bush and Bob Dole, among others, fastened on Saddam before Kuwait, the Republican Party now has standing to ask Who Lost Iraq (This Time) and to credibly blame it on President Clinton and Vice President Al Gore. Time and fresh incompetence may not heal all wounds in Washington, but they do grant amnesia, and perhaps amnesty, to all political parties.

The Republicans will be tempted to use Mr. Chalabi and his organization, the Iraqi National Congress, as a club to swing at Mr. Clinton. The Democrats will respond by protecting themselves at Mr. Chalabi's expense, repeating

old, discredited smears about banking troubles in Jordan, as Charles Robb did at Monday's Senate hearing.

Mr. Robb's question had the earmarks of a plant from the White House or the CIA. Mr. Chalabi's recent troubles in Washington stem from his decision to go public in interviews with The Washington Post and ABC Television last summer revealing the agency's bungling in Iraq in 1993 and 1996.

The agency's director, George Tenet, and his aides still resist serious internal or outside inquiry into what went wrong in Iraq. As long as they do, take administration claims that it will finally get tough with Saddam as more self-serving fluff from masters of the genre.

Working to undermine Saddam's rule is a long, difficult — and worthy — enterprise. The spies and government experts of the Bush and Clinton eras are busy telling you that since they couldn't do it, it can't be done; the opposition is too weak and divided; the victim is to blame.

American politicians of both parties should sign on to this task of opposing Saddam with a determination to see it through, and to show how wrong the experts can be.

The Washington Post.

Now Is a Good Time to Revisit Saddam's Nuclear Capability

By Paul Leventhal and Steven Doherty

WASHINGTON — The diplomatic arrangement that UN Secretary-General Kofi Annan concluded with Iraq has averted U.S. air strikes for the time being. But by creating a "Special Group" of diplomats to oversee UN inspections of Saddam Hussein's presidential sites, he is laying a new bureaucracy on top of an already fragmented inspection regime.

This arrangement could trigger more turf battles of the sort that have plagued the relationship between the UN Special Commission on Iraq, or Unsc, and the International Atomic Energy Agency, or IAEA. It could further undermine attempts to ferret out Iraq's surviving nuclear weapons capability (still a clear and present danger) while undercutting the campaign to find and destroy Iraq's other weapons of mass destruction.

Immediately after the Gulf War in 1991, the Vienna-based IAEA lobbied hard at the United Nations to retain the lead role for nuclear inspections in Iraq, despite its dismal

record of misjudging Iraq's nuclear intentions and missing evidence of its weapons program at every turn.

The cease-fire resolution was soon crafted to provide for a sharing of responsibilities between the IAEA and Unsc in the nuclear sphere, while giving Unsc exclusive control over the search for Saddam's chemical and biological weapons and missiles.

The results of this relationship — including strong differences between the agencies on how to assess the current nuclear threat and how to deal with it — provide important lessons on pitfalls to avoid at this critical juncture.

Last June, the outgoing Unsc director, Rolf Ekeus, expressed concern that the nuclear weapon components manufactured by Iraq before the Gulf War had never been found.

"We doubt they have been destroyed, but we are searching," he said at the Carnegie Institute for Peace.

And, in what he flagged as a "difference" with the IAEA, he said Unsc experts believed Iraq was capable of making a "viable weapon" if it could buy a sufficient quantity of plutonium or highly enriched uranium.

The expert advising the IAEA recently put Iraq's "time to a bomb" at five years.

The IAEA, in its latest reporting to the UN Security Council, complains of having reached a point of "diminishing returns" in its inspections and proposes a shift to a less intrusive monitoring arrangement. Russia, France and China seized upon this to propose closing the nuclear file on Iraq.

Yet the IAEA's own detailed reports show that Iraq's nuclear scientists are still in place, that key nuclear weapons components remain unaccounted for, that major gaps still exist in Iraqi reporting of its postwar nuclear weapon design work and that Iraq's clandestine procure-

ment of nuclear equipment and materials continues.

It would be a big mistake to assume that the absence of evidence of an Iraqi nuclear weapons program is evidence of such a program's absence.

In 1990, Saddam successfully engaged in a grand deception to deflect the world's attention from his nuclear weapons program by drawing attention to his chemical weapons threat. After the Gulf War, a vast Iraqi Manhattan Project was unearthed, and most of it was destroyed.

Today the danger is that Saddam is trying to divert attention from a small but deadly remnant of that program — a well-hidden unit that could use retained blueprints and components to turn out weapons made with smuggled fissile material on short order.

There is an opportunity to use the establishment of the new Special Group to reinvigorate the UN's flagging nuclear investigation. The choice of UN disarmament undersecretary Jayantha Dhanapala to head up

the Special Group is a good one. The Sri Lankan diplomat is highly respected and trusted in nuclear nonproliferation and arms control circles.

Mr. Dhanapala is capable of promoting cooperation between the IAEA and Unsc in this work. He could begin — both to end interagency bickering and to "test" Iraqi intentions — by insisting that Iraq produce four crucial reports, long promised but never delivered, on unaccounted-for design drawings, fabricated components, procurement activities and government planning for nuclear weapons.

If Iraq continues to stonewall despite his request, it would become clear that the UN must press forward with intrusive nuclear inspections as long as Saddam remains in power.

Mr. Leventhal is president and Mr. Doherty is research director of the Nuclear Control Institute. They contributed this column to the International Herald Tribune.

America's Elite Prospers, but What About the Rest?

By Robert Kuttner

WASHINGTON — Conservative politicians and intellectuals keep having trouble reconciling their story line with the facts. Consider two favorite whipping boys lately in the news — America's lousy schools and America's dismal savings rates.

The recently released Third International Mathematics and Science Study, comparing the performance of U.S. kids with counterparts overseas, seemingly provides new ammunition for the right. American fourth graders score about average in the industrial world, but by 12th grade U.S. students rank near the bottom.

This result led Chester Finn, a former Reagan administration education official and school-voucher advocate, to proclaim on the Wall Street Journal editorial page: "The public school system as we know it cannot fix

itself. It is an ossified government monopoly."

But every one of the countries whose children outperformed ours has more coherent state school systems, clearer national standards and far greater equality of funding. They also have more social supports for parents, who can then spend more time with their kids. Guess who led the list? Sweden.

That would be of course be social-democratic Sweden, regularly denounced by the same Wall Street Journal editorial page for its unaffordable and inefficient social outlays. Other top performers included such malefactors as Denmark, Norway and the Netherlands.

Guess who else beat us Americans smartly in math and physics? Russia! That would be the

evil empire, whose statist economy collapsed, whose real living standards are perhaps one-fourth of America's. But even destitute, corrupt Russia manages to find the money and the teachers to instruct its children adequately in math and science.

Then there is the issue of savings rates. For two decades, conservative economists have been ranting that the U.S. economy was succumbing competitively to countries with higher savings rates, such as Japan, Korea and most of Europe. We did not save enough so we could not invest enough, the story went.

Today, the same economists are smugly proclaiming the superiority of the U.S. model and the weakness of places such as Germany and Japan — countries with much higher savings

rates and much better educated workers. How to reconcile all of this?

For one thing, many factors matter to economic performance. It turns out that if you have smart entrepreneurs and competitive products, other nations will invest or lend you capital; so domestic savings rates do not constrain economic growth.

It also turns out that if you do a good job educating the top quarter of the class (which America does) and welcome skilled immigrants (which we also do), the economy can perform nicely even if most kids do not excel at math and science.

If it takes only a few million high performers to allow the economy to soar, what will become of the rest?

America today is the most unequal country in the advanced world. If that reality retarded overall economic growth and harmed the economic elite, maybe the people who run the country would pay more attention. But evidently the well-off can coexist all too nicely with the laggards.

After all, poorly educated and low-skilled people make perfectly adequate fast-food servers, back office clerks, janitors, gardeners, drivers and housemaids. They are far cheaper to hire than their European counterparts, who get the

same social benefits as the European elite.

We need to educate all Americans, not for "competitive" reasons but out of concern for the kind of society we want to be. If we were serious about educating the bottom half we would not turn to vouchers and further splinter the system. We would equalize school funding, put more money into classroom teaching and make life easier for parents — like the nations that outscored us.

By the same token, our overall rate of savings is less important than the question of who amasses savings and why. Today, thanks to the soaring stock market and relatively stagnant wages, personal financial wealth is more highly concentrated than at any time since the 1920s. The working poor do not save much because they barely make ends meet.

Yet fiscal conservatives of both parties (seconded by too many mainstream economists) project we should hold on to the projected government budget surpluses — rather than invest in the social outlays like education, training and child development that might allow the bottom half to pull itself up.

The writer, co-editor of the American Prospect quarterly, contributed this column to The Washington Post.

Making Math Class Relevant

By Howard Gardner

CAMBRIDGE, Massachusetts — The dismal performance of American 12th graders on the Third International Mathematics and Science Study is naturally disheartening. Even in a pool that lacked the usual high-scoring Asian countries, American students managed to score near the bottom.

But we should resist the tendency to focus on increasing our students' scores on these tests.

These tests do not measure whether students can think scientifically or mathematically. They just measure a kind of lowest common denominator of facts and skills. So getting students to do well on them does not necessarily mean much in the real world. It does not even mean that students will have successful careers in science and technology.

Half a dozen years ago, when our economy (as well as our test scores) was languishing, it was easy to blame our poor schools and to push for better results from our students. Now America stands at the top of the world economically, but our students are still scoring at the bottom on international math and science tests.

Since high scores on these tests obviously are not crucial to our economic success, we need to decide what kinds of tests matter in helping form the kind of citizen we want to have. Standardized tests should find

out if American students can think in a scientific manner.

This means teaching students to understand the nature of the scientific method: how experiments are set up, how models and theories are constructed and tested, how to decide what theories best describe a phenomenon. Students learn these concepts only by designing and carrying out their own experiments.

Tests should measure a student's scientific ability by presenting a problem, offering data to solve that problem and posing several different interpretations of the data. The test taker might be asked to determine what conclusions can and cannot be drawn.

But most standardized tests ask fact-based questions that sample a wide range of topics in a somewhat superficial way.

Students who score well on these tests are like well-trained athletes or musicians. Through practice, they have become proficient at a certain skill. In this case, they have done extensive problem sets in many different "content areas" and can move quickly from one question to another.

These tests are helpful in the real world, especially in high school and college. But they simply do not show whether a student can think seriously

about a scientific issue. We could drill our students with problem sets and raise their test scores but still be left with a population that remains scientifically and mathematically challenged.

After all, students should be able to apply scientific and mathematical concepts to the world around them. As adults, they will need to know how to decide which life insurance to buy, how pesticides affect their food and how interest rates affect home mortgages.

Citizens also need to be able to decide whether cloning research should be banned, whether more money should be poured into studying global warming and whether there should be a national health care plan.

Are these skills ultimately important for our nation and others, too? We must rethink the way we teach science and math. We must have the foresight to pursue a less traveled road, one that can lead to a citizenry that can think rigorously and make informed decisions and that can handle a future where science and technology will be more important than ever.

The writer, a professor at the Harvard School of Education, is the author most recently of "Extraordinary Minds." He contributed this column to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: U.S.-British Ties

BOSTON — The address of Mr. Richard Olney, former Secretary of State, at Harvard College in advocacy of Anglo-Saxon unity and co-operation with Great Britain for the betterment of the human race, attracts attention. There has been a change of sentiment in Mr. Olney since the policy of Lord Salisbury in China has been seen to coincide with American ideas and interests, and also since the probable entanglement of a quarrel with Spain has brought into clearer view the value of England's friendship.

1923: Women in Jail

WASHINGTON — Now it is the woman bootlegger. She has risen in her might to complicate the wheels of Federal justice. A steady increase in the number of these dry violators and the brisk demand of the illicit liquor trade

for the assistance of feminine intuition in the business of purveying hooch is responsible for an unprecedented and unparalleled increase in the number of women prisoners of the Federal Government. The problem of a rapidly developing shortage of jail facilities for female prisoners is of especial concern.

1948: Neutral Finland

HELSINKI — Finland will agree to negotiate a friendship and defense pact with Russia. The Social Democrats informed the President that Finland could not reject the invitation to negotiate. The Social Democratic recommendation added: "We should enter into negotiations on the basis that our nation will maintain her impartiality. The peace-loving majority of the Finnish people opposes any military alliances and will do the utmost to keep the nation outside any international conflicts."

Herald Tribune

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OPINION/LETTERS

Between Yawns, the Shock of History

By Amy E. Schwartz

BORDEAUX — Reconstructing history takes effort, and no one knows it better this winter than the sleepy, resentful denizens of an echoing stone courtroom here.

The presiding judge, in red satin and ermine robes, sighs as he adjusts yet another document on the overhead projector, the magistrate overseeing the spectators in the "video room" yawns and fidgets. They are deep into the fifth month of what will probably be France's last trial of an accused war criminal from World War II — a trial that was supposed to take, at the most, six weeks.

But the defendant, Maurice Papon, the 87-year-old former Vichy official, has not stonewalled or professed amnesia, like others tried and convicted in recent years of crimes against humanity during the Nazi occupation of France. Instead, he has defended himself zealously, sarcastically and in great detail, forcing the participants deeper into the muck of French memories about Vichy.

The result is a trial short on easy moral moments but long on something just as important — not just here but in the more spectacular tribunals weighing crimes against humanity in South Africa or The Hague.

It is the slow, uphill struggle of a roomful of people trying to piece together the past, and then, as if that weren't difficult enough, seeking to grapple with the question of real personal and criminal responsibility. Mr. Papon, who served as secretary-general of the Gironde region under the collaborationist Vichy regime and went on to a prominent career in postwar French politics, is making a classic, and classically infuriating, defense: Yes, he was there, he signed the papers, but really all the time he was striving to slow things down. German superiors gave all the orders, he says; an officer below him, a working enforcer, did the nasty stuff and signed most of the really incriminating papers. Why didn't he resign, refuse?

Because someone else in the job might have been worse. His signature is on deportation orders for nearly 1,600 Jews who ended up in extermination camps? Yes, but those deportations repre-

sented his failures — "the saddest days of my life." This tack has proved effective not just in irritating spectators and politicians — who hear in it the uncomfortable echo of the rationale for French behavior during Vichy — but also in forcing the attention of the trial onto smaller details of action and omission.

His lawyers offer evidence concerning a group of three orphaned refugees from Biarritz who washed up in Mr. Papon's jurisdiction and were spared deportation, in an order bearing his signature, on grounds that they had had a Catholic grandfather and were to be considered Catholic.

Yes, says the head prosecutor, but here is another order, also signed by the defendant, in which he forwards the orphans' religious documents to the archbishop of the diocese, to see whether they are faked. Was this the action of a man seeking to prevent deportations wherever possible?

At the weeks drag on, it amounts to a sort of endurance contest, and not every body involved has passed the test. Of the 30 or so lawyers representing the various "civil parties" to the prosecution — historians, organizations, deportees' families — a fair number have stopped attending altogether. Others stay only to posture, asking the defendant long, feather-fluffing questions to which there are no obvious answers.

Outside the courtroom, there have been attacks on the trial and demands that it be halted, both from the Gaullist right (where politicians squirm at the implications of Mr. Papon's repeated argument that he is being offered as a scapegoat for the entire postwar government) and from the prosecution.

At one point, the well-known French Nazi hunter Serge Klarsfeld and his son Arno, one of the prosecuting lawyers, called for the removal of the presiding judge, Jean-Louis Castagnède, on the ground that he had distant relatives who had been deported. International and French Jewish groups spoke out loudly against the Klarsfelds' bid, saying Judge Castagnède had given every evidence of being scrupulously even-handed, and the demand was eventually withdrawn.

The Klarsfelds' intervention raised suspicions that the civil parties fear Mr. Papon may be cleared, making a mockery of untold costs and 16 years of preparation and research. And yet even that unlikely outcome would leave behind something incomparably valuable, a courtroom's worth of people who, by dint of sheer sloggishness, have served up a tremendous abundance of historical evidence and context about Vichy to anyone willing to follow it in the daily papers.

And along with context comes an occasional jolt of that other ingredient essential to grasping an ugly past — the shock of immediacy, of history made real.

"There's nothing like looking at a document to make a gap of 50 years just disappear," says an expert on war crimes trials, Diane Orendlicher, a law professor at American University.

It happens in Bordeaux one day when Judge Castagnède, in response to testimony, puts on the overhead projector a document that details the deportation from a hospital of its last few patients — one of whom, it named out, was too sick to be moved. And how was this determined? Judge Castagnède, his voice trembling slightly, puzzles out the handwritten notation next to the prisoner's name: "Helpless" — must be dragged.

The court momentarily goes quiet. Then the judge takes up the next document and the argument grinds on. This isn't the banality of evil, just the dogged boredom of hard work.

The Washington Post

The Papon trial has few easy moral moments.

By Amy E. Schwartz

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The Washington Post

The Papon trial has few easy moral moments.

By Amy E. Schwartz

The Bookie Always Wins in the End

By Samuel Abt

KURNE, Belgium — Just inside the entrance to the parking lot, the bookmaker set up shop. A small wooden table, a sheaf of white betting slips bound by a thick rubber band, an easel holding two pieces of white wall-board with the names of the racers and their odds. Standing next to the table with a thick pencil in his hand, the bookmaker was ready for business.

Isn't betting on bicycle races illegal? a foreigner asked.

Carl Deprez raised his thick eyebrows fractionally. He looked around, nodded his head at the policemen waving team cars through to the staging area of the Kuurne-Brussels-Kuurne race. If it were illegal, would even Belgian policemen fail to notice?

"Perfectly legal," he said. "An honorable profession." But a dying one. "Twenty-five years ago, there were maybe 30 of us. Now we're down to six or seven. There's not much money to be made."

Deprez paused in his explanation because there was business to be done. A man and woman were examining his boards: He liked Johan Museeuw, a former world champion, winner of the last Kuurne-Brussels-Kuurne race, ranked ninth in the world and a native

of this part of Flanders to boot. Museeuw's odds were 4-1 to win. (He was nowhere in sight at the finish.) She liked Andrei Tchmil, a winner of the celebrated Paris-Roubaix in 1994, third day before in the more demanding Her Volke race, ranked sixth in the world. His odds were 6-1. (He won.)

No way Tchmil, he said, don't waste your money. Instead she placed her

100 Belgian francs (about \$2.70) on Tom Steels, yet another Belgian and moreover the champion, a strong sprinter, 51st in the world. His odds were 4-1 to win and even money to place. (He failed to finish.) Deprez took their money and gave them receipts.

Bets range from 100 francs to 1,000, he said. When Deprez is not doing this, he teaches school — languages, mainly Dutch and English. "A hobby is what this is," he said.

He travels to about 100 races a year, mainly one-day competitions called kermesses that Belgian towns stage all spring and summer with riders almost

nobody has heard of who belong to teams equally obscure.

The box into which he put the bets was beginning to fill. Some riders from the Brescialat team from Italy poked their heads over the railing to see what their chances were. (None.) On a good day, Deprez does several thousand francs' worth of business, not really enough to support any bookmaker who is not doing it as a hobby. People just don't bet the way they used to, he said, but he could not figure out why.

The foreigner decided to take a flutter. "Moncassin to win," he said, "100 francs." This amounted to insider trading since the foreigner had talked with Frederic Moncassin, a French rider, and heard him say he was in fine condition and expecting a good result. Moncassin knew the race, too, having won it in 1995.

"Moncassin to win," Deprez repeated, writing out a receipt.

"How do I collect when he wins?"

"I'll be around at the finish," he said.

"You can find me. If not, you've got my phone number on the ticket. Or I can just put it on your account." He laughed heartily, as if he knew something.

Moncassin finished 22d.

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Position Leader

old, discredited smears about Iraq's role in the Gulf War, as Mr. Clinton's administration... That's the way it's been since the end of the Cold War.

Working from masters of the... The agency's director, George... and his aides still resist serious... in Iraq. As long as they do, we... get tough with Saddam as we... Working from masters of the... The agency's director, George... and his aides still resist serious... in Iraq. As long as they do, we... get tough with Saddam as we...

Nuclear Capabilities

equipment and... The Special Group is... The Sri Lankan... highly respected and... nuclear nonproliferation... arms control circles.

Mr. Dhanapala is... promoting... cooperation... between the IAEA and... this were made a part... mandate. He could... both to end interg... ering and to "test" le... tentives — by using... Iraq produce four... ports, long promised... delivered, on unac... design drawings, the... components, procure... tives and government... ing for nuclear wea...

Mr. Leventhal is... and Mr. Diller is... the... of the Nuclear... Institute. They... ment to the... Herald Tribune.

about the Rest?

better educated... to economic... many factors... that if you... reputation... and... other... tend you... saving rates... economic growth... that if you... eating the top... class (which... and welcome... us (which we... terms can... if most kids... in said... implications... a few million... to allow... what will be...

By the same token... all rate of savings... important than the... masses... savings... Today, thanks to the... stock market and... stagnant wages, personal... wealth is more... concentrated than at any... the 1920s. The working... not save much more.

Yet fiscal conservatism... both parties... many mainstream... think we should hold... projected government... surprises — rather... in the social outlays... education, training and child... development that might... bottom half to pull itself up.

The writer... of the... contributed this... The Washington Post.

GES: 100, 75 AND 50 YEARS AGO

for the assistance of... intrusion in the business... a very booh is responsible... an unprecedented... allied increase in the... of women prisoners of... Government. The... of a rapidly developing... of jail facilities for... users is of special concern.

1948: Neutral Finland

HELSENKI — Finland... agree to negotiate a... and defense pact with... The Social Democrats... the President that Finland... not reject the invitation... The Social Democrats... recommendation... should enter into negoti... the basis that our... maintain her independ... Finnish people oppos... ally alliances and... to keep the nation... any international conflict.

Now it is... to complicate... justice... the number of... and the drink... liquor trade

TribTech

Formula One Team Revs Up the Computers to Speed Up Race Cars

By Brad Spurgeon
International Herald Tribune

MAGNY-COURS, France—In a sport where the technical regulations change yearly and the cars develop almost daily, there is little mystery why technology has taken a front seat in the manufacture of race cars.

"The difference between the big teams and the average-sized ones is speed—to develop the car faster, communicate faster, make decisions faster," said Alain Prost, a four-time world drivers' champion who retired in 1993 and is now the owner of his own Formula One team.

This month, Prost Grand Prix is moving from a 10-year-old factory here, 250 kilometers (155 miles) south of Paris, to a new, state-of-the-art plant in Guyancourt, just outside the capital.

The move will enable the team to work with high-tech tools built for the needs of a 1998 car, such as computer-aided metal casting, blasting ovens to mold carbon-fiber composites and computers to design, build and test all the parts. It will also provide faster communications with Prost's Paris-based high-tech partners, including Alcatel Alsthom and Dassault Systemes SA, and its engine maker, PSA Peugeot Citroen SA.

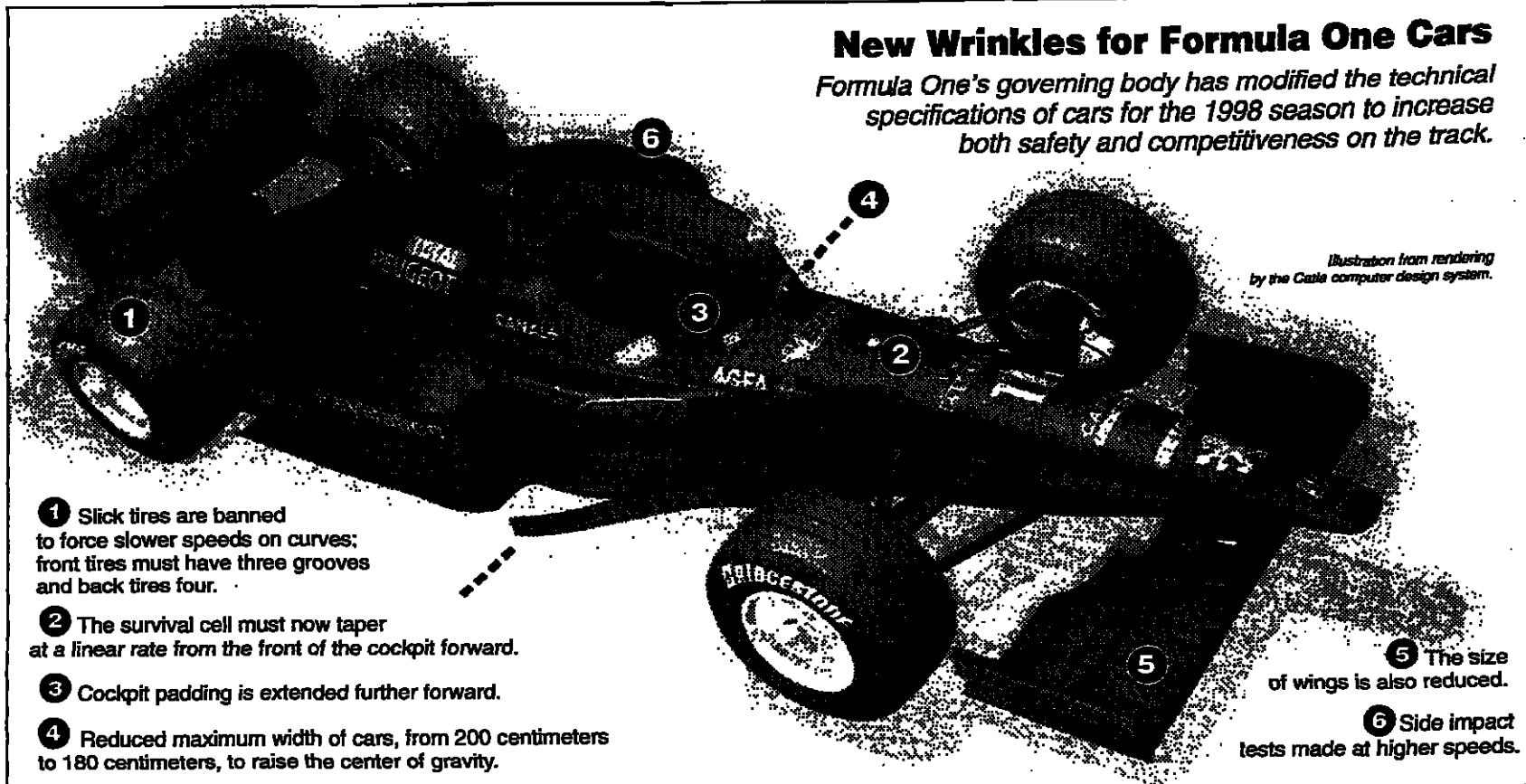
In Formula One racing, more than 20 cars battle out a sprint race on circuits averaging five kilometers in length and with varying conditions: straightaways, hairpin corners and wide bends, each of which makes a different demand on an engine and chassis.

The technological challenge is enormous. The 11 teams of Formula One construct their own cars to technical regulations devised by FIA, the Paris-based racing federation. The changes FIA is requiring for this season, which begins Sunday in Melbourne, have been called the most drastic in 15 years.

When engine technicians started using computers at the track in the 1980s, Mr. Prost said, "We looked at them like propeller heads. We had absolutely no confidence in them."

Today, computers save time in every aspect of designing, building and setting up a car's balance and mechanical configuration.

To counter criticism that most passing is done not on the track but during pit stops, FIA is banning slick tires this year, which should force cars to brake earlier at corners and thus facilitate passing.



New Wrinkles for Formula One Cars

Formula One's governing body has modified the technical specifications of cars for the 1998 season to increase both safety and competitiveness on the track.

1 Slick tires are banned to force slower speeds on curves; front tires must have three grooves and back tires four.

2 The survival cell must now taper at a linear rate from the front of the cockpit forward.

3 Cockpit padding is extended further forward.

4 Reduced maximum width of cars, from 200 centimeters to 180 centimeters, to raise the center of gravity.

5 The size of wings is also reduced.
6 Side impact tests made at higher speeds.

Illustration from rendering by the Catia computer design system.

Tires now must have grooves (three treads going all the way around the front tires and four for the back tires) to reduce their grip and force slower turns.

As slicks have been used since 1971, Goodyear Tire & Rubber Co. and Bridgestone Corp. face a huge technical challenge to redesign their racing tires—especially as the new rules stipulate that the grooves must still be present at the end of the race on all tires used.

Another way FIA plans to slow cars in corners is to decrease use of the aerodynamic effect, known in the industry as downforce, that presses the car down to the track and allows it to maintain speed in cornering. The maximum width of the car is being reduced to 180 centimeters from 200 centimeters, raising the center of gravity and limiting the size of wings attached to the vehicle.

Engineers have spent the winter seeking ways to attach new kinds of wings

and other aerodynamic aids to recover the estimated 15 percent loss in downforce. This work is done mostly in a team's wind tunnel, not on the track. Some teams use the wind tunnels of research centers; others, like Prost, have their own.

To save time fulfilling the FIA rules, which cover every detail of a car, Prost turned to the design program Computer-Aided Three-Dimensional Interactive Application, or Catia.

Developed by Dassault Systemes, it was used for the first "virtually" designed airliner, Boeing Co.'s 777 jet. Several other airplane builders, as well as carmakers and developers of trains, including the TGV, the French high-speed train, use it now. It is also used by many other Formula One teams, including Sauber, Ferrari and Arrows, and for the engines of Mercedes AG, Renault, Peugeot and Cosworth Engineering.

Other teams use design technology from such Dassault Systemes rivals as Computervision Corp. and SDRC Inc.

Before any of the 3,000 parts of a Formula One car is built, Catia enables the designer to create the car in three dimensions on a screen, fit it together, measure its weight and spot likely problems. The program also allows the designer to move through the on-screen mock-up and see an image, interior or exterior, of any component.

Because of the efficiency of the software, a new longitudinally mounted gearbox for the Prost car was made from scratch in less than four months last summer, rather than the eight months that Prost's head designer, Loic Bigois, said it would have taken in the past.

The creation of the new factory has been overseen by Bernard Dudot, Prost's technical director and the engineer who built the Renault V-10 engine that has

won the last six Formula One constructors' titles. When Mr. Prost bought the team a year ago, its Magny-Cours factory housed a staff of 68 in 3,600 square meters (38,750 square feet). The Guyancourt factory has 7,300 square meters for what is now a 150-person work force.

There will be 20 Catia workstations in Guyancourt, compared with 10 here, all operating on Sun Microsystems Inc. computers and servers. While Prost pays for the licenses to use the system, Dassault Systemes is also providing manpower and working closely with the team. Neither side would disclose the financial details of the partnership.

The factory will be linked through high-tech Integrated Services Digital Network, or ISDN, lines to the team at Grand Prix racetracks worldwide to allow engineers to use Alcatel's videoconferencing to troubleshoot.

It costs so much to test a car on the

track that most testing is done on team-designed computer programs.

But the creation and application of technology is secondary to the main purpose of racing, Mr. Dudot said.

"There's only one objective," he said. "That is to win. If you win with high technology, you use high technology. If you win with wheelbarrows, we'll use wheelbarrows. Technology's not the objective."

Ironically, one of the purposes of FIA's changing regulations is to prevent computers from taking over.

Midseason last year, three years after high-tech driving aids were banned, McLaren-Mercedes created a computerized accelerator that the racing body approved before realizing that it could overrule a driver and thus reduce skidding.

Rather than allowing the driver to directly control the engine's throttle valves, the team's accelerator used an onboard computer to calculate how much torque could be used on the given section of the track. It then limited the opening of the valve, making the best use of the available power of the engine and helping to prevent skidding.

After the season, FIA banned the system, saying that it ran counter to the rules barring computer-aided driving.

"Instead of being a sport of men," said Francesco Longanesi, a spokesman, "it was becoming a sport of computer wizards. We're not against technology—far from it. But the technology must serve the man, and not the other way around."

Removing control from the driver not only destroys the sport side of things, he said, it also increases the risk of a driver's losing command of the car to a computer and having an accident.

But FIA encourages use of technology to develop the cars, and this has become so costly and highly perfected, Mr. Dudot said, that teams no longer build entire cars on their own. Instead, they subcontract certain parts, such as the carbon brakes and, particularly, the engine.

If technology has killed jobs in some industries, in Formula One it has created millions, Mr. Dudot said.

"We're seeing jobs here that didn't even exist five or 10 years ago—new computer-related jobs, electronic transmission, data processing, a very high level of metallurgy, and the creation of composite materials that are capable of absorbing enormous shocks," he said.

High-Tech Firms Profit From Racetrack Innovations

International Herald Tribune

PARIS—It is not just the race car that benefits from Formula One's technological advancements. The companies working on the car's development are using their experience in racing to develop their own commercial products.

Dassault Systemes SA brought aeronautical know-how to the sport through its Catia design software and wants to transfer Formula One advances back to aeronautics, according to Jean-Marc Galea, the French company's manager for the Prost Grand Prix project.

"Formula One constructs small, compact and very light composite parts that no one knows how to do in aeronautical design," Mr. Galea said, referring to the molded carbon fibers in a race car's body. "The cockpit of a race car is very small and has a very complex shape. Even the nose is very pointed and made with composite materials. These kinds of parts don't exist in aeronautics."

Commercial car manufacturers, according to Bernard Dudot, formerly director of Renault Sport, cannot directly apply their race engine technology to an assembly-line engine. One is built for a life of 400 kilometers at extremely high speed, while the other is built to last a couple of hundred thousand kilometers.

But he said the knowledge the engineers acquire creating a racing engine in the highly competitive environment helps in resolving problems in the assembly lines for commercial engines.

"For an engineer to have experiences that are so specific yet peripheral is extremely enriching, extremely strong," he said. "It adds a great deal of value to the knowledge of a research department. And that translates into quality in the everyday car."

Alcatel Alsthom provides the Prost team with the radio communication between the pits and the drivers, Olivier Panis and Jarno Trulli.



Mr. Panis, left, and a technician at track.

Gilles Thevenet, Alcatel's manager for the Prost project, said the company had developed technology for the race team that can be transferred directly to a commercial product.

The difficulties of radio communication in Formula One include, in addition to the constraints of the car, the very lively electromagnetic fields at the track, with television signals, all the teams' radios and other cellular devices used simultaneously.

For Prost, Alcatel started with a noise-blocking system it uses in an everyday car phone that a driver does not have to hold, the Handsfree Digital Car Kit. The system digitally differentiates the sound frequencies of the voice, the engine and other sources of noise, and then divides the components, canceling out all but the voice.

"In testing it in the highly constrained, vibrating and loud environment of the Formula One car," Mr. Thevenet said, "we figured out certain anomalies that we found in the everyday car but couldn't understand."

Alcatel will use those findings in a future version of the car phone, he said.

—BRAD SPURGEON

TECHNOLOGY INDEX

A glance at technology stock indexes around the world

North America	Tuesday close	% change previous week	% change year to date
Pacific Stock Exchange Technology	331.05		-13.94
Standard & Poor's Technology Composite	810.30		+15.77
Europe			
Morgan Stanley Eurotec	507.24		+31.68
Asia			
Topix Electric	1749.63		+6.41

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.ihf.com>. Articles include:

- High-Tech Bidding for Foreign Workers Feb. 27
- www.Internetbookingslowmotion.com Feb. 27
- Apple Plans To Scrap Its Newton Line Feb. 28 - March 1
- A Tale of 2 Stocks: Lucent Keeps Flying High as Smaller Rival Clones Suffers Feb. 28 - March 1
- AMD Aims to Put Pressure on Intel By Setting Up Chip Deal With IBM Feb. 28 - March 1
- Learning to Live With Microsoft: The Tale of Spyglass Inc. March 3
- In Restructure, Olivetti Forges Ties With Van March 3
- Gates Goes to Washington March 4

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to tribtech@ihf.com.

International Herald Tribune

Rather
than
catch up...

INTERNATIONAL

Fred Friendly, 82, Dies; Champion of TV News

By Eric Pace
New York Times Service

NEW YORK — Fred Friendly, the former CBS News executive and journalism professor who was an influential figure in the growth and evolution of news coverage on television, died in New York City on Tuesday after a series of strokes. He was 82 years old.

As a CBS News producer working with Edward R. Murrow, Mr. Friendly pioneered news-documentary techniques in commercial television's early years. And as president of CBS News from 1964 to 1966, he clashed with other executives in his efforts to get more news on the air.

His often-caustic criticisms of what he contended was the television networks' lack of commitment to quality news coverage continued down through the years.

As a professor at Columbia University and a writer on television affairs later, he argued in favor of fairness and integrity in electronic news coverage. As broadcast consultant to the Ford Foundation on television, he strove to improve news coverage by public-television stations.

Mr. Friendly's television productions, and his own professional life, were full of strife and action.

He was a tall man with a strong jaw and a high-keyed purposeful air about him, which, the poet Carl Sandburg said, made him "look as if he had just got off a foam-flecked horse."

His manner — his restless intellect, curiosity, and desire to stimulate debate — made it difficult for Mr. Friendly not to dominate almost any gathering. His wife, Ruth, described that force of personality some years ago when, speaking at a ceremony where Mr. Friendly and she were receiving another of their many awards, she said, "We all come under Fred's gravitational pull."

Don Hewitt, the longtime executive producer of the CBS television news program "60 Minutes," said: "Fred Friendly and Ed Murrow's 'See It Now' was the lodestar we all steered by. What I learned from Fred and then made the trademark of '60 Minutes' was that it's your ear more than your eye that keeps you at the television set, that if you pay attention to the words, and your editors are as good as Friendly's were, the pictures will follow on naturally."

Mr. Friendly's final battle as a commercial television executive came, as he saw it, over the issue of CBS's responsibility to carry live telecasts of important government proceedings. The

showdown came in February 1966, when one of his superiors decided that the network should broadcast a rerun of a Lucille Ball comedy program instead of live coverage of a key Senate committee hearing on Vietnam.

"It was not a matter of deciding between two broadcasts," Mr. Friendly wrote later, "but a choice between interrupting the morning run of the profit machine — whose only admitted function was to purvey six one-minute commercials every half-hour — or electing to make the audience privy to an event of overriding importance taking place in a Senate hearing room at that very moment."

Mr. Friendly wrote a memo to his superior, John Schneider, a CBS group vice president, arguing that broadcasting the hearings, at which George Kennan, the expert on Soviet and Communist affairs, was to testify, was "a matter of conscience for this company, a public service in the most basic sense."

But, as Mr. Friendly reported in his 1967 book, "Due to Circumstances Beyond Our Control," Mr. Schneider told him the hearings would not be broadcast, "and said that housewives weren't much interested in Vietnam."

It was as a partner of Mr. Murrow, the CBS star correspondent and commentator who died in 1965, that Mr. Friendly



Fred Friendly, former CBS News president, who often criticized what he said was the TV networks' lack of commitment to quality news coverage.

achieved national influence and fame. He was a little-known radio executive in 1948 when he met Mr. Murrow and proposed making an album of recordings of world leaders and other newsworthy people speaking in the recent past.

Mr. Murrow liked the idea and col-

laborated with him in bringing out the album, "I Can Hear It Now," which was released at Thanksgiving 1949 and was a huge success.

In the years that followed, the two men worked together on "Hear It Now," a CBS radio program, and on "See It Now," its television sequel.

GATES: America's 'Icon of Technology' Takes Capital by Storm

Continued from Page 1

of business," said James Barksdale, the president and chief executive of Netscape Communications Corp., Microsoft's chief critic and its largest competitor on the Internet landscape.

"How many of you use PCs?" Mr. Barksdale said, asking the spectators to raise their hands. About three-quarters of the room did. "Now how many of you have a computer with Internet Explorer?" he asked, referring to Microsoft's product. Almost the same number of hands flew up again.

He said the fact that hardly anyone in the room used a personal computer without Microsoft's operating system demonstrated "that is a monopoly."

In another kind of gotcha, Mr. Hatch and Senator Mike DeWine, Republican of Ohio, conducted their own expeditions. They had their staffs call up sales representatives for Dell Computer Corp. In each case, representatives gave the impression they could not offer Netscape.

"I'm not quite sure," Mr. DeWine

quoted one representative as saying, "it has something to do with Microsoft."

Senator Herb Kohl, Democrat of Wisconsin, asked why Microsoft's percentage of sales to profits was so much higher than those of businesses in other industries. His not-so-subtle suggestion was that Mr. Gates was a monopolist looking to safeguard his treasure chest.

But it was Mr. Hatch, whose state is home to another Microsoft competitor, Novell Inc., who demanded a "yes" or "no" from Mr. Gates on his company's interference with Netscape's ability to promote or market itself.

"You are not giving me an answer," Mr. Hatch said bluntly. In the end, Mr. Gates delivered a nuanced answer that did not fully satisfy the senator.

Relieved, Mr. Gates walked up to a cluster of microphones and delivered a few final words to reporters, no more questions allowed.

"I enjoyed this opportunity," he said. Then he left, walking into a crowd of cheering high-school students who spied him on his way out.

Competition Thrives?

Steven Pearlstein and Elizabeth Corcoran of The Washington Post reported:

The hearing before the Senate Judiciary Committee highlighted the paradox of the software industry: Although Microsoft dominates the market for PC software — and may have a monopoly over a corner of it — prices are falling, innovation is brisk and there are legions of freshly minted millionaires.

To hear it from Mr. Gates, the fears about the evils of monopoly simply do not apply in the new knowledge-based economy, where "no company owns the factory for ideas."

Mr. Gates described his own success as a model for those who would topple him from industry leadership. Just as he challenged International Business Machines Corp.'s dominance of the computer industry when he was a 19-year-old college student with a new set of software codes, Microsoft's competitors can break its grip on the industry if they deliver better products and lower prices, he said.

HARASS: Court Clarifies Sex Abuse Law

Continued from Page 1

Steven Shapiro of the American Civil Liberties Union agreed: "It clearly states that no one should have to suffer sexual harassment when going to work in the morning and it shouldn't matter if you are a man or woman, gay or straight."

Some employer groups also praised the decision, which cleared up a conflict among lower courts over who can sue for discrimination in the workplace.

Ann Elizabeth Reesman, general counsel for the Equal Employment Advisory Council, observed that the court also made it clear that all conduct of a sexual nature was not necessarily going to violate Title VII, but only conduct that was because of sex and rose to the level of severity or pervasiveness that changes the conditions of employment.

Rape Threat Alleged

The man who filed suit, Joseph Oncale, a Louisiana oil rig worker employed in 1991 by Sundowner Offshore Services Inc., alleged that he was sexually assaulted, battered, touched and threatened with rape by his direct supervisor and another supervisor, Reuters reported.

The lawsuit was dismissed on appeal, but the Supreme Court ruling Wednesday reinstated it.

Justice Scalia wrote that Title VII prohibits discrimination because of sex in the "terms" or "conditions" of employment. He said that the law prohibiting harassment on the basis of sex requires "neither asexual nor androgyny in the workplace; it forbids only behavior so objectively offensive as to alter the 'conditions' of the victims' employment."

Justice Scalia emphasized, however, that in same-sex claims, like other harassment cases, there must be careful consideration of the social context in which particular behavior occurs and how it is viewed by the target.

"A professional football player's working environment is not severely or pervasively abusive, for example, if the coach smacks him on the buttocks as he heads onto the field — even if the same behavior would reasonably be experienced as abusive by the coach's secretary, male or female, back at the office."

Justice Scalia said the real impact of behavior often depends on a "constellation of surrounding circumstances, expectations, and relationships that cannot be captured by a simple recitation of the words used or the physical acts performed."

He said courts would use "common sense" and "appropriate sensitivity" to distinguish between "simple teasing or roughhousing among members of the same sex" or behavior that could be viewed by a reasonable person to be "severely hostile or abusive." The On-

cale lawsuit alleged that a co-worker assisted in one of three attacks by physically restraining him and that the supervisors made sexually harassing remarks.

One supervisor allegedly told Mr. Oncale, "I'm going to get you. You're going to give it to me."

Mr. Oncale said he twice reported the situation to his employer's highest-ranking representative on the job site but that no action was taken to halt or punish it. He then quit. The company, the two supervisors and the co-worker all denied that any harassment took place.

INDIA: Nationalists Backed

Continued from Page 1

In Indian politics, the word secular denotes opposition to politics based on ethnic or religious bias, a charge that opponents have always leveled against the Bharatiya Janata Party.

A further 21 seats were won by an array of splinter parties and independent candidates, and 8 seats are to be filled later, 6 by elections that are not yet completed and 2 on the nomination of the new government.

But in the rapid political maneuvering that has developed in the aftermath of the results, the focus fell on several regional groups that entered the election as "poll allies" of one of the three main power blocs, only to find that the inconclusive result left each of them with the potential to make or break the new government.

Among these groups, the principal player Wednesday appeared to be a group of 12 newly elected legislators belonging to a regional party in Andhra Pradesh, a southern state of 70 million people.

This group, the Telugu Desam Party, was aligned in the election with the United Front, an alliance of 13 regional and leftist parties that formed a minority government in New Delhi from the last election in May 1996 until it collapsed in December.

But after two meetings of the party's politburo in Hyderabad, the Andhra Pradesh capital, the party appeared to be mulling a switch from the United Front to the Bharatiya Janata Party alliance, a move that many Indian politicians said would probably make a BJP government inevitable.

The suspense was set to continue for at least another day, however, after the Telugu Desam leader, Chandrababu Naidu, who is chief minister of Andhra Pradesh, announced that he would fly to New Delhi on Thursday for consultations with other United Front leaders before deciding whether to stick with the front or jump to the nationalists.

MILAN FASHION

Cool Take on Borrowed Plumes

By Suzy Menkes
International Herald Tribune

MILAN — The enchanted garden — all lush greenery, urns of flowers and spiky palms — seemed familiar. So did the way the models clasped their coats in a lover's embrace as they circled the audience and posed for photographers.

But whatever seed of inspiration Dolce & Gabbana took from John Galiano's ground-breaking shows for Dior, they cultivated it as their own.

In fact, Wednesday's show, held in a tent in the garden of their Milan premises, was an object lesson (Dior take note) in how to make romantic brocades, cut velvet and work-of-art pieces seem modern by transforming them with technology from rigid period pieces.

"I wanted to use the past but project into the future," said Stefano Gabbana of the quicksilver stretch skirts, worn under flower-painted tulle or satin kimono coats decorated with wisteria and mimosa.

The designer said that the floral handwork was done at Lake Como and inspired by botanical gardens in his native Palermo, Sicily. Other details included flowers on sturdy high-heeled shoes and strappy sandals trimmed like the garden's pond, with seashells. A couple of outfits had trash baroque-goes-rock prints usually associated with Gianni Versace.

Dolce & Gabbana didn't move far from their signature body-hugging silhouette and favorite corsets. In fact some of the show was familiar and all of it repetitive. But because the collection was almost entirely in stretch fabrics, from the skinny, black tailored coats and over-the-knee dresses through those mercury-mirrored materials and elasticized plastics, it had a sexy spin. And the mix of sleek, modern technology with pretty, traditional handcraft gave the show an edge.

But the borrowed plumes of haute couture raise the question of how long fashion can go on feeding off itself, and why ready-to-wear shows, which are supposed to feature off-the-rack styles, are increasingly image-making vehicles of limited-edition clothes.

Sportswear and knits taken to the height of luxury and sophistication was the message at Ferragamo, where Dee Dee Bridgewater sang live on stage to



Dolce & Gabbana's painted coat and silver stretch skirt.

the parade of felted fabrics cut into wide shapes, or jackets as zippered track tops. The sports theme was carried through to evening, making the cardigan, reduced to a tiny bolero, the ultimate evening jacket and the sloppy sweater a partner to narrow satin pants.

Also in the mix: wool printed to look like summer emine, and flannel tailored as evening dresses. Side-split caftan dresses worn with felted cashmere coats seemed more for image-making than the real world, but they showed off Ferragamo's vertiginous, yet graceful, high-heeled shoes.

In its mission to turn itself from a fabric to a fashion house, Etro has mastered coats. Out they swept, all long and slim, in inventive fabrics, worn with funky flat shoes or carpet slippers. For the rest, the collection of sloppy satin shorts, indeterminate pants and slip dresses still looks like a first-year dress-making class let loose in a material world. The ebullience, energy and witty toolbox purses just carried the show.

Romeo Gigli was fashion's poet in the siren" did little to lift the sober show. Lawrence Steele hasn't found a signature style, but he caught a 1990s modernity with his fluid skirts in satin and panne velvet, below cinched waists. Worn with fluffy jackets, sheer cardigans and fur tippets, the clothes had the contrasting textures that are the basic ingredients of current style.

show-shouldered 1980s, showing lily-pale models with Botticelli curls and Renaissance colors like bordeaux and old gold. Anyone who remembers those rich fabrics and fragile silhouettes was stunned by Gigli's fall show of short, sharp, zippered coats in somber shades worn over thigh-high skirts. Not to mention turquoise Frida Kahlo eye-brows, ice-cream cornet hairdos and leggings tucked into boots. Was it a wanna-be witty take on 1980s style — Gigli does Claude Montana? Softer coats with stained-glass squares or silver trails on filmy fabric were a faint echo of Gigli's former voice.

Moschino was another house that did not seem true to itself. The bright soccer-ball purse with the first (black) outfit was the last splash of any color but black, gray, white and silver.

Why a monochrome collection when Moschino's image is upbeat and fashion is trying to dump black? There were some new, sportier shapes like track jackets, pantsuits with taker shorts and jogging pants with cargo pockets. (Inexplicably drawn up as knickers.) Long culotte pants were even elegant. But a few jagged asymmetric hems and graffiti letters announcing "dreams" or "de-

Donatella" Versace replied. He added that reports that the company would go public were inaccurate. There would be no considering a flotation until after the inheritance is settled, which would be two years from Gianni Versace's death in July 1997.

Why do we need him? We have Donatella! Versace replied. He added that reports that the company would go public were inaccurate. There would be no considering a flotation until after the inheritance is settled, which would be two years from Gianni Versace's death in July 1997.

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On Thursday, April 30, 1998, to mark the 50th anniversary of the independence of the State of Israel, the International Herald Tribune will publish a Special Report on

ISRAEL at 50

BY THE TIME people or nations reach the age of 50, there is usually a sense of certainty about them; they have an image of themselves as mature, established, maybe even comfortable. But Israel is very much still a work in progress; a country of extraordinary achievements and unresolved problems; a tiny country that has nevertheless held the world's center stage for all of its turbulent childhood, adolescence and now adulthood.

To take the measure of Israel as it turns 50, the IHT has assembled a distinguished group of journalists, historians and politicians.

Glenn Frankel, the Pulitzer-Prize winning Washington Post correspondent and author of "Beyond the Promised Land," will provide an overview assessment of how much progress Israel has made in resolving the internal contradictions and external challenges that have confronted, and still confront, the Jewish state.

Tom Segev, the Israeli historian, journalist and author of the widely acclaimed history "The Seventh Million," will scan the record of these past 50 years, examining the creation and evolution of the country's identity, the role of Zionism, the conflicts and quests for peace with the Arabs within and outside Israel's borders.

Zeev Chafetz, the novelist and popular columnist for the Jerusalem Report, will provide a glimpse into daily life in Israel today.

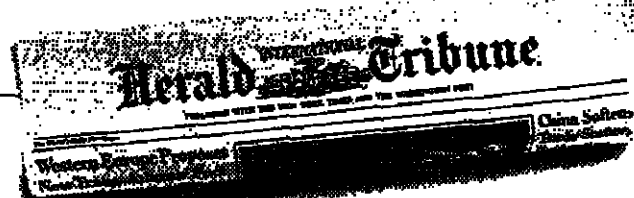
Josef Joffe, the columnist and Editorial Page Editor of the Sueddeutsche Zeitung, and John Goshko, the United Nations correspondent of The Washington Post, will take a look at two of Israel's closest and most interesting relationships; one with Germany and the other with America's Jewish community.

Joseph Fitchett, the IHT's political and security correspondent, will evaluate the regional balance of power in the Middle East and how that might shape Israel's future.

Dr. Sari Nusseibeh, the well-known Arab scholar and author, and president of the Al-Quds University in East Jerusalem, will write about life today and hopes for tomorrow for Palestinians in Israel, the West Bank and the Gaza Strip.

Neal Sandler, an economic correspondent, will examine Israel's evolution from low-tech to high-technology center, looking at the state of its high-tech industries and their overall impact on the economy.

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CURRENT

Currency	Rate	Currency	Rate
US Dollar	1.00	Japanese Yen	100.00
British Pound	0.65	Swiss Franc	1.50
German Mark	1.36	French Franc	6.55
Italian Lira	2036.27	Spanish Peseta	166.64
Portuguese Escudo	200.48	Belgian Franc	6.55
Dutch Guilder	3.76	Austrian Schilling	13.76
Irish Punt	0.78	Greek Drachma	340.75
Polish Zloty	4.00	Czech Koruna	166.64
Slovak Koruna	166.64	Slovenian Tolar	200.48
Croatian Kuna	200.48	Serbian Dinar	100.00
Bosnian Dinar	100.00	Yugoslav Dinar	100.00
Romanian Leu	100.00	Bulgarian Lev	100.00
Hungarian Forint	200.48	Russian Ruble	6.55
Ukrainian Hryvnia	100.00	Uzbek Sum	100.00
Kazakh Tenge	100.00	Kyrgyz Som	100.00
Tajik Somoni	100.00	Turkmen Manat	100.00
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CCF 14TH CONSECUTIVE
YEAR OF NET PROFIT
GROWTH: +16.7%

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<http://www.ccf.fr>

Asian Stocks Reel on Reports IMF Aid to Indonesia Is Imperiled

By Thomas Fuller
International Herald Tribune

JAKARTA — Stocks and currencies fell across Southeast Asia on Wednesday as it became clear that the International Monetary Fund would probably delay billions of dollars in international aid to Indonesia.

Adding to a chorus of warnings from Washington, officials at the IMF were quoted as saying that the \$3 billion due to be approved for Indonesia by March 15 would probably be suspended until Jakarta followed through on promises to institute economic reforms and austerity measures.

Troubling news in both Singapore and Malaysia further eroded the confidence of investors. Malaysian shares fell 4 percent after an announcement by the government that two of the country's most prominent banks would need

outside help. The Malaysian central bank reported Tuesday that Bank Bumiputra Bhd. and Sime Bank Bhd. needed capital injections.

In Singapore, three banks issued earnings reports that were worse than expected, mainly due to the banks' exposure to the seven-month economic crisis. Tai Lee Bank Ltd., Singapore's sixth largest, posted a surprise loss for 1997 of 38.8 million Singapore dollars (\$23.7 million).

Overall, Singapore stocks dropped 1.34 percent, Taiwan stocks fell 2.54 percent, Thailand finished 2.13 percent lower and Philippine shares dropped 1.75 percent.

The Indonesian rupiah fell 5.5 percent, to 9,525 to the dollar, and shares on the Jakarta exchange fell 3 percent as President Suharto faced louder calls at home and abroad to reform his nation's political process as well as the economy.

"People are looking for a clear signal" from

Indonesia, said Anwar Nasution, dean of the faculty of Economics at the University of Indonesia. "But Mr. Suharto keeps on sending mixed signals."

"The only solution is to implement the IMF program," Mr. Anwar added.

U.S. and European officials agree. They have

Several Japan banks plan to downsize to qualify for government aid. Page 17.

been increasingly vocal in recent days. In Washington, where Congress is weighing approval of \$18 billion in additional funds for the IMF, Treasury Secretary Robert Rubin and his deputy, Lawrence Summers, suggested that approval of the next tranche of IMF aid might not be approved if reforms did not accelerate.

[There were signs, however, that the increased funding for the IMF itself might be moving ahead, Reuters reported from Washington, where the House of Representatives' Banking Committee was said to be close to a compromise. Most House Democrats will support President Bill Clinton's request for the \$18 billion in increased funding, predicted Dick Gephardt, the Democratic leader. Page 14]

On Tuesday, Mr. Rubin called Indonesia "a very troubling and complicated situation" and Mr. Summers said, "Support can't flow unless they're doing the right things."

The right thing for Indonesia these days, these officials say, is full implementation of the IMF program — a 50-point agreement signed in January by Mr. Suharto and the managing director of the IMF, Michel Camdessus.

Washington's special envoy to Indonesia,

former vice president Walter Mondale, visited Mr. Suharto on Tuesday in Jakarta and called for "full, demonstrable and visible implementation of the IMF reforms."

Thousands of Students Protest

Thousands of students protested peacefully against the Indonesian government Wednesday in one of the largest shows of discontent since the beginning of the economic crisis. The Associated Press reported.

Demonstrators at several university campuses on Java and Sulawesi islands urged an end to President Suharto's long rule.

In Jakarta, meanwhile, delegates to a special assembly gathered to extend Mr. Suharto's tenure. The People's Consultative Assembly, dominated by Mr. Suharto's supporters, is virtually certain to give him a seventh five-year term next week.

Zhu Faces Economic Challenge

Investors Wonder How Far China Will Push Reform

By Philip Segal
International Herald Tribune

HONG KONG — By now, every investor in China knows that Deputy Prime Minister Zhu Rongji, the economic reformer, will be named prime minister this week. What they do not know is the depth of the economic and financial problems that Mr. Zhu will inherit.

More specifically, as China's National People's Congress opens on Thursday, those who invest in China and lend it money will be wondering just how Mr. Zhu will seek to modernize the economy while avoiding mass unrest.

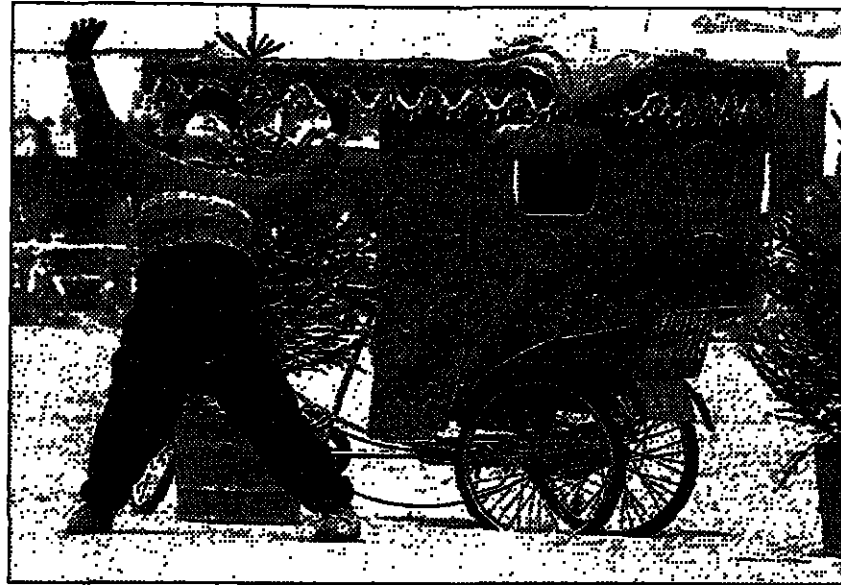
The new prime minister, 70, needs to recapitalize China's insolvent banks and make the country's loss-making state industries profitable, but, like everyone else in the Communist Party, he fears the kinds of demonstrations against unemployment that are routine in Western countries, but anathema to the authorities in mainland China.

If there is a lesson China has taken from the Asian financial crisis, it is that a solid banking system goes hand in hand with sustainable economic growth and continued access to foreign funds, analysts say. China has to get its big four state-owned banks on to a commercial footing, instead of forcing them to lend money to state industries that will never pay the loans back.

"Although you as a foreign banker don't mind doing business with the Chinese government, increasingly you want to do business with a bank that's viable," said a credit analyst in Hong Kong.

Foreign investors and lenders are cheering for Mr. Zhu, but are struggling with basic questions about China, including: how big the debt problem is; whether sales of state assets will return to the pace seen last year; and how long the currency can stay at its current fixed exchange rate.

The level of nonperforming loans in China is "anybody's guess," said Lynn Eton, a fixed-income analyst at Merrill



A pedicab driver doing his morning exercises on a roadside in Beijing.

Lynch in Hong Kong, who added that she believed a figure of 35 percent was not unreasonable. That is far higher than the official estimate of 20 percent, but the guesswork comes because no one is certain how much money the banks are owed by state-owned industries in China, which often measure success by quantity of output instead of profit.

The problem the Chinese leadership has in turning off the money tap to loss-making industries is that such a move could trigger mass unemployment, especially because in some regions of China, nonperforming loans are thought to be worth as much as 60 percent of all lending.

As important as financial reform is, "stability is the main concern," said Maurien Yau, a China equities analyst at Bear Stearns in Hong Kong. She noted a report in the Wednesday issue of Hong Kong Economic Times, which said that Mr. Zhu had "requested all representatives" to the congress to keep unemployed demonstrators off the streets of Beijing during the meeting.

Given that inflation in China has been all but wiped out and debts are uncollectable, it might seem obvious that Mr. Zhu would favor a reduction in interest rates. But with exports and foreign investment expected to slow this year, and a black market exchange rate for the yuan now more than 8 percent below the official rate, there is a chance that too great an interest rate cut could destabilize not only China's currency, the yuan, but the Hong Kong dollar, too.

China's authorities will try to stimulate the economy this year by printing money, and that is likely to put down-

ward pressure on the yuan in 1999, said David Roche, analyst at Independent Strategy in London, who said the currency could fall by 25 percent.

Also watching Mr. Zhu keenly are equity investors. After mainland government-backed shares in Hong Kong tumbled last October along with the rest of the region's markets, they staged a brief recovery last week on hopes the congress would accelerate the sale of government assets to Chinese companies listed on the Hong Kong stock exchange.

The Hang Seng China-Affiliated Corporations Index, which tracks so-called red chips, or shares in China-backed companies incorporated and listed in Hong Kong, rose by 14 percent last week, on hopes of an interest rate cut and an increase in the amount of state assets sold to red chips. The index fell 1.3 percent Wednesday, though, as investors concluded that "things may not be that easy" to accomplish, said Ms. Yau.

That is because Mr. Zhu and his team are struggling over how to reform the country's industries. China's former model for growth was South Korea, and Chinese officials had openly admired the high-octane growth of that country's conglomerates, the *chaebol*, until South Korean companies and banks began to collapse under a mountain of debt last year.

Ms. Eton at Merrill Lynch said the level of nonperforming loans in China could balloon as companies adopted "a more Western type of accounting that really focuses on true profit and loss of the companies instead of measuring them on their output."

BHP's Chief Resigns Under Pressure

Promise of Change at Troubled Mining Company Sends Shares Up 8%

Compiled by Our Staff From Dispatches

MELBOURNE — The chief executive of Australia's corporate flagship, Broken Hill Proprietary Co., gave in Wednesday to demands that he resign, sending the troubled mining company's stock up 8 percent.

A wave of buying greeted news that John Prescott, the managing director, would leave the steel, mining and oil group, lifting BHP's shares to 15.51 Australian dollars (\$22.80), up 1.17 dollars.

"The market suspected for a long time that it might happen. I just think they're surprised that it did happen," said Michael Heffernan, a client adviser at the brokerage Dicksons.

Mr. Prescott, 57, who will stay until a successor is found, had come under pressure from investors after two years of weak profits, a major project cost blowout and management turmoil.

"We have reached a crossroads where John has come to the view that a fresh mind would be helpful," the BHP chairman, Jerry Ellis, said.

Mr. Prescott said he believed the company would be better off with a new face at the helm, although he regretted having to leave during a crisis.

"With great personal anguish, I have reached the view that the company may be better served if a new person was to set the future course for BHP, beyond the successful implementation of current initiatives," he said.



John Prescott, who headed Broken Hill for the past seven years.

The resignation capped a tumultuous 12 months for the diversified mining company, which has suffered the indignity of slipping behind Rupert Murdoch's News Corp. and National Australia Bank in market capitalization.

Once known as the "Big Australian," BHP saw public sentiment turn

after it closed down its historic steelworks at Newcastle, once a thriving company town.

It has also been wounded by high-profile firings, disastrous acquisitions and a perception that its corporate culture was old-fashioned and overly bureaucratic.

Mr. Prescott, who has spent his entire career at BHP, was closely identified with that culture and repeatedly had to fend off attacks on his leadership from shareholders and the media.

Mr. Ellis said an international search would begin immediately for a new managing director and that the board had also resolved to accelerate a program of cost-cutting and asset sales.

"This strategy is a reconfirmation of the previous one with some additional impetus to increase its urgency," he said.

BHP has said that as much as 10 percent of its 37 billion dollars in assets are performing poorly and that 4 billion dollars of asset sales are possible.

Faced with falling commodity prices, it has also begun a cost-cutting drive.

BHP is the world's second-largest producer of copper, but the copper price is near 10-year lows and the company's recently acquired American mines are struggling to curb costs.

BHP's biggest earner, the petroleum division, now faces sharply weaker oil prices as well. (Reuters, AFP)

The Urge to Merge And Buy Picks Up A Fast Pace in '98

New York Times Service

NEW YORK — Overall, 1998 is shaping up as the most hectic mergers-and-acquisition season on record, and the momentum seems unstoppable.

Through Feb. 26, 1,444 domestic transactions valued at \$138.5 billion have been announced, according to the Securities Data Co., surpassing the previous record of 1,548 deals worth \$128 billion in the same period of 1997.

Volume for all of 1997 set a record for the fourth consecutive year.

"The merger train is still on track and gaining speed," Richard Peterson, a Securities Data spokesman, said.

Gary Parr, co-head of Morgan Stanley's global mergers-and-acquisitions, said, "We're busier than we've ever been, and it doesn't look like it will slow down."

So far this year, the financial-services industry — including banks, investment firms and insurance companies — is leading the merger pack with 119 announced bids worth \$24.9 billion, according to Securities Data Co. of Newark, New Jersey.

Telecommunications companies are not far behind, with 31 proposed transactions valued at \$23.5 billion, followed by the business-services sector, where an \$8.4 billion hostile bid by Computer Associates for Computer Sciences Corp. drove the total up to \$13.5 billion.

Similarly, Halliburton Co.'s agreement last week to buy Dresser Industries for \$7.7 billion skewed the data for the machinery industry, thrusting it to No. 4, even though machinery is not expected to be hot this year.

Amid the continuing merger boom, insurance is just one of several areas that are expected to be especially active, with the forces driving consolidation varying by industry.

Pharmaceutical companies, for example, are scrambling to find partners to help underwrite the huge cost of developing the next blockbuster drug and marketing their products to five continents.

Utility companies and banks, by contrast, want to grow to meet the challenges of deregulation.

Last year, 45 percent of the \$1.58 trillion of worldwide mergers and acquisitions were outside North America, according to J.P. Morgan & Co.

This year, Europe is expected to be even livelier, in part because of the privatization of government-owned concerns and the deregulation of telecommunications and financial institutions.

Recently, for example, Allianz AG, a German insurer, announced a bid to acquire Assurances Generales de France, a French rival, for more than \$10 billion.

If completed, it would be the largest-ever foreign takeover of a French company.

Once the smoke from Asia's financial crisis starts to clear, two trends are likely to emerge.

Already, cash-poor Asian companies are seeking buyers for subsidiaries to raise money quickly. U.S. companies that want a presence in Japan or South Korea will finally be able to buy it.

"For the first time, you can afford to raid a Korean company," said Steven Koch, a co-head of the mergers group at Credit Suisse First Boston. "Two months ago, you couldn't do that."

Fraud Prompts CompuServe to Log Out of Russia

By Peter S. Green
International Herald Tribune

PRAGUE — The American on-line service, CompuServe, has said *nye* to Russia and cut off Bulgaria, too.

Too many hackers have logged in on false accounts or with falsified or stolen credit card numbers, the company said, racking up massive charges on the services that connect users in those countries to CompuServe's host computers in the United States and Western Europe.

A spokesman for America Online Inc., which owns CompuServe, said the fraud had reached "intolerable" levels. AOL cut off its own access to Russia in January 1997 because of fraud.

"The fraud was the use of the network and communication access charges, and no one on the other end to pay those charges," said a spokesman, Rich D'Amato.

He said the cancellation would affect about 500 subscribers, but he declined to say how much the fraud had cost CompuServe.

Subscribers will still be able to reach CompuServe from those countries through local Internet service providers. That will probably be less expensive than dialing CompuServe access numbers. In Bulgaria, Russia and scores of other countries where CompuServe does not have its own host computers, the company charges access fees ranging from \$10 to \$18 an hour to connect through local firms.

AOL was charging subscribers in Russia \$34 an hour to link up before it unplugged.

In December, Russia agreed with the Group of Seven industrialized nations to cooperate in fighting computer crime. But in many countries, much computer fraud is not classified as criminal. And such cross-border fraud as the CompuServe case is often not covered by extradition treaties.

The Business Software Association says software piracy is rampant in Central and Eastern Europe.

Mr. Soros said he gained "a very favorable" interest rate on the loan, but refused to elaborate further on the transaction.

The government managed to deliver on Mr. Yeltsin's promise in July, stretching its resources to the limit.

Mr. Soros said he gained "a very favorable" interest rate on the loan, but refused to elaborate further on the transaction.

Unions Reject Bonn's Offer in Salary Talks

Bloomberg News

STUTTGART — Declaring that talks had failed, German public-sector workers' unions on Wednesday rejected a 1.4 percent wage-increase offer for 3.2 million workers in 1998.

The unions also declined to exercise their option to call an independent mediator to break the deadlock in the dispute. The government must now decide whether it wants to exercise this right, which might help avert a strike. German state workers have gone on strike only twice in almost five decades.

Herbert Mai, a spokesman for Germany's OeTV public-sector workers union, called the government's initial

offer "unacceptable" and "deeply disappointing." The offer falls short of union demands and barely matches the January inflation rate of 1.3 percent.

"It's not an offer. It's a wish list," said Harald Reuter, an OeTV spokesman.

The German government is trying to keep a lid on public salaries and hold down spending so it can continue to meet the requirements for European monetary union. But a strike by the union could paralyze public services such as local train service and damage the German economy.

Mr. Mai said his members were prepared to strike to secure jobs. Union negotiators had requested cla-

rification on three issues: the government's plan to cut sick pay, its wage-increase offer, and its position on union demands for East German public employees' pay to be raised to western levels.

The 1.7-million member OeTV public-sector and transport workers' union and the DAG white-collar workers' union, which has 500,000 members, demanded a 4.5 percent wage increase. The government's proposed wage package consists of a 1.4 percent wage increase in 1998, rising to 1.8 percent in 1999. The government did not make an offer to increase eastern wages, which are at 85 percent of western pay.

CURRENCY & INTEREST RATES

March 4										Libid-Libor Rates										March 4			
Cross Rates										Swiss										French			
	\$	£	DM	FF	Yen	DKK	Sc	HK	NT	Dollar	D-Mark	Swiss	Shilling	Franc	Yen	ECU							
American	1.00	0.69	1.93	166.37	106.48	6.56	166.37	0.007	3.76	1-month	5.10	5.10	4.10	74.74	294.34	4.10							
British	1.46	1.00	2.76	233.64	157.48	9.36	166.37	0.007	5.25	3-month	5.10	5.10	4.10	74.74	294.34	4.10							
French	1.66	1.36	1.00	6.56	4.93	1.93	166.37	0.007	5.95	6-month	5.10	5.10	4.10	74.74	294.34	4.10							
German	1.93	2.76	1.93	1.00	7.46	2.76	166.37	0.007	6.56	1-year	5.10	5.10	4.10	74.74	294.34	4.10							
Italian	1.93	2.76	1.93	1.00	7.46	2.76	166.37	0.007	6.56	2-year	5.10	5.10	4.10	74.74	294.34	4.10							
Japanese	106.48	157.48	4.93	7.46	1.00	136.73	166.37	0.007	1.00	3-year	5.10	5.10	4.10	74.74	294.34	4.10							
Swedish	6.56	9.36	1.93	1.00	136.73	1.00	166.37	0.007	1.00	5-year	5.10	5.10	4.10	74.74	294.34	4.10							
Swiss	1.93	2.76	1.93	1.00	7.46	2.76	166.37	0.007	6.56	10-year	5.10	5.10	4.10	74.74	294.34	4.10							
Thai	3.76	5.25	2.76	6.56	136.73	2.76	166.37	0.007	1.00	30-year	5.10	5.10	4.10	74.74	294.34	4.10							
U.S. dollar	1.00	0.69	1.93	166.37	106.48	6.56	166.37	0.007	3.76	Sources: Reuters, Libid/Lib, Bank rates posted in interbank deposits of \$1 million minimum (or equivalent).													
Yen	106.48	157.48	4.93	7.46	1.00	136.73	166.37	0.007	1.00	Rates applicable to interbank deposits of \$1 million minimum (or equivalent).													
DM	1.93	2.76	1.93	1.00	7.46	2.76	166.37	0.007	6.56														
FF	1.66	1.36	1.00	6.56	4.93	1.93	166.37	0.007	5.95														
Yen	106.48	157.48	4.93	7.46	1.00	136.73	166.37	0.007	1.00														
DKK	6.56	9.36	1.93	1.00	136.73	1.00	166.37	0.007	1.00														
Sc	6.56	9.36	1.93	1.00	136.73	1.00	166.37	0.007	1.00														
HK	0.007	0.007	0.007	0.007	0.007	0.007	166.37	0.007	0.007														
NT	3.76	5.25	2.76	6.56	136.73	2.76	166.37	0.007	1.00														
Key Money Rates										Key Money Rates													
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	30-year	United States	Today	Prev	Britain	Today	Prev								
1-month	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Discount rate	5.05	5.05	Bank base rate	7 1/4	7 1/4								
3-month	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Prime	5 1/4	5 1/4	Call money	7 1/4	7 1/4								
6-month	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Federal funds	N.A.	N.A.	1-month interbank	7 1/4	7 1/4								
1-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	90-day CDs	N.A.	5.40	3-month interbank	7 1/4	7 1/4								
2-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	180-day CDs	N.A.	5.41	6-month interbank	7 1/4	7 1/4								
3-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	ML 30-day T-Bill	N.A.	5.10	1-year GB	6.11	6.11								
5-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10														
10-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10														
30-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10														
Other Dollar Values										Other Dollar Values													
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	30-year	Germany	Peru	Costa	Colombia	1-month	3-month								
1-month	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td></td>	Peru <td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td>	Costa <td>Colombia<td>1-month<td>3-month</td></td></td>	Colombia <td>1-month<td>3-month</td></td>	1-month <td>3-month</td>	3-month								
3-month	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td></td>	Peru <td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td>	Costa <td>Colombia<td>1-month<td>3-month</td></td></td>	Colombia <td>1-month<td>3-month</td></td>	1-month <td>3-month</td>	3-month								
6-month	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td></td>	Peru <td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td>	Costa <td>Colombia<td>1-month<td>3-month</td></td></td>	Colombia <td>1-month<td>3-month</td></td>	1-month <td>3-month</td>	3-month								
1-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td></td>	Peru <td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td>	Costa <td>Colombia<td>1-month<td>3-month</td></td></td>	Colombia <td>1-month<td>3-month</td></td>	1-month <td>3-month</td>	3-month								
2-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td></td>	Peru <td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td>	Costa <td>Colombia<td>1-month<td>3-month</td></td></td>	Colombia <td>1-month<td>3-month</td></td>	1-month <td>3-month</td>	3-month								
3-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td></td>	Peru <td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td>	Costa <td>Colombia<td>1-month<td>3-month</td></td></td>	Colombia <td>1-month<td>3-month</td></td>	1-month <td>3-month</td>	3-month								
5-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td></td>	Peru <td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td>	Costa <td>Colombia<td>1-month<td>3-month</td></td></td>	Colombia <td>1-month<td>3-month</td></td>	1-month <td>3-month</td>	3-month								
10-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td></td>	Peru <td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td>	Costa <td>Colombia<td>1-month<td>3-month</td></td></td>	Colombia <td>1-month<td>3-month</td></td>	1-month <td>3-month</td>	3-month								
30-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td></td>	Peru <td>Costa<td>Colombia<td>1-month<td>3-month</td></td></td></td>	Costa <td>Colombia<td>1-month<td>3-month</td></td></td>	Colombia <td>1-month<td>3-month</td></td>	1-month <td>3-month</td>	3-month								
Forward Rates										Forward Rates													
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	30-year	Germany	Peru	Costa											
1-month	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa</td><td colspan="3"></td><td colspan="3"></td></td>	Peru <td>Costa</td> <td colspan="3"></td> <td colspan="3"></td>	Costa											
3-month	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa</td><td colspan="3"></td><td colspan="3"></td></td>	Peru <td>Costa</td> <td colspan="3"></td> <td colspan="3"></td>	Costa											
6-month	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa</td><td colspan="3"></td><td colspan="3"></td></td>	Peru <td>Costa</td> <td colspan="3"></td> <td colspan="3"></td>	Costa											
1-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa</td><td colspan="3"></td><td colspan="3"></td></td>	Peru <td>Costa</td> <td colspan="3"></td> <td colspan="3"></td>	Costa											
2-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa</td><td colspan="3"></td><td colspan="3"></td></td>	Peru <td>Costa</td> <td colspan="3"></td> <td colspan="3"></td>	Costa											
3-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa</td><td colspan="3"></td><td colspan="3"></td></td>	Peru <td>Costa</td> <td colspan="3"></td> <td colspan="3"></td>	Costa											
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30-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td>Peru<td>Costa</td><td colspan="3"></td><td colspan="3"></td></td>	Peru <td>Costa</td> <td colspan="3"></td> <td colspan="3"></td>	Costa											
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1-month	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany													
3-month	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany													
6-month	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany													
1-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany													
2-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany													
3-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany													
5-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany													
10-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany													
30-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany													
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Forward Rates										Forward Rates													
	1-month	3-month	6-month	1-year	2-year	3-year	5-year	10-year	30-year	Germany													
1-month	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td colspan="3"></td> <td colspan="3"></td> <td colspan="3"></td>													
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5-year	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	Germany <td colspan="3"></td> <td colspan="3"></td> <td colspan="3"></td>													
10-year	5.10	5.10	5.10																				

EUROPE

Norway to Postpone Gas and Oil Projects

OSLO — The government said Wednesday it planned to postpone all oil and gas projects by a year in an unprecedented program to dampen booming economic growth.

"There are big dangers that the economy will overheat," Marit Arnstad, the oil and energy minister, told Parliament. She said the delays, designed to cut 5.2 billion kroner (\$687.1 million) from 1998 investments of 66.9 billion kroner, would cool the economy.

The reductions affect a total of 12 oil and gas projects.

"The government has decided to delay investments in all fields under consideration by one year to 1999 from 1998," Mrs. Arnstad said. The central bank has forecast gross domestic product growth of 5 percent in 1998.

Norway is the second-largest oil exporter in the world after Saudi Arabia, pumping 3.3 million barrels per day. The delays would have a long-term impact on the development of Norway's reserves and are unrelated to efforts by the Organization of Petroleum Exporting Countries to prop up sagging oil prices.

Mrs. Arnstad said that, without any curbs, projected 1998 investments in the oil and gas sector would surge to 66.9 billion kroner, which is 13.7 billion kroner above the forecast in the 1998 budget.

She said postponements would benefit oil companies, which she said were having to pay record high rig rates and high salaries because of shortages of specialized labor.

The delay would cut 1999 investments by 11.5 billion kroner, Mrs. Arnstad said, adding that investments in projects tended to be higher in the second year after they start.

Mrs. Arnstad said four of the projects — Norsk Hydro A/S's Fram and Grane; Statoil A/S's Gullfaks satellites; and Saga Petroleum A/S's Snorre 2 — were so big that they would require parliamentary approval.

Saga warned last month that a two-year delay in the project would cut recoverable oil volumes since the reservoir pressure would irretrievably fall. Such a delay would wipe out 4 billion kroner worth of production, it said.

DEGussa-Huels AG would have about 25 billion DM in sales, rivaling International Chemical Industries PLC for fifth place among European companies in the specialty chemicals sector, analysts said. Its main products would include paint additives and hydrogen peroxide.

Degussa said the companies must still agree on the values of the companies and exchange ratio for the stocks before the plan can be submitted to shareholders for approval.

The takeover is the latest such deal in the European specialty chemicals industry. Clariant AG of Switzerland bought the specialty chemicals business of Hoechst AG of Germany last year, while VIAG AG's SKW Trostberg AG doubled in size after the German company bought Master Builders Technologies from Sandoz AG of Switzerland.

BRUSSELS — The European Commission said Wednesday it had opened an investigation into WorldCom Corp.'s proposed purchase of MCI Communications Corp. because of concerns about the new company's combined market share in supplies of Internet backbone services.

The commission, which plays the role of competition watchdog for the 15-member European Union, has four months to decide whether to clear the deal. Although both companies are based in the United States, the Commission has the power to vet any mergers that could harm competition in the EU.

MCI Communications and WorldCom said they were confident the commission would approve their deal, which they expect to be completed on schedule in mid-1998.

The commission said its primary concern is the companies' dominant share of the "backbone" networks over which Internet information travels, but said it could not quantify what share of European Internet traffic the combined company would control.

"The commission might be buying time because the Internet has suddenly become a rather sensitive issue," said John Clarke, an analyst at Daiwa Europe.

In the United States, at least 40 other companies have the infrastructure to carry Internet traffic, Jim Monroe, an MCI spokesman, said. But in Europe, MCI and WorldCom face 75 percent less competition.

While the commission rarely blocks mergers outright, it often imposes conditions on companies to guarantee more competition.

On Wednesday, the commission cleared the \$33 billion merger of United Bank of Switzerland and Swiss Bank Corp.

(Reuters, Bloomberg)

Restructuring Takes Toll on Profit at Vickers

Compiled by Our Staff From Dispatches

LONDON — Vickers PLC said Wednesday that its pretax profit fell to £19.4 million (\$32.1 million) last year from £33.3 million the previous year and warned that 1998 was going to be difficult as it pressed ahead with its restructuring.

Vickers is undergoing a major restructuring to concentrate on jet-engine and weapons manufacturing. It sold its medical division in 1997 and is now planning to sell its Rolls-Royce PLC luxury-car business.

After taxes, Vickers posted a loss of £2.2 million, compared with a £56.6 million profit in 1996. Sales were steady at £1.2 billion.

Colin Chandler, chairman and chief executive, said the company had a strong basis for growth. "However, given the extent and the nature of the changes under way, the possibilities for overall growth in 1998 will be constrained while the group adapts to its new structure and the strategy put in train in 1997," he said.

Vickers' shares fell 12 pence, to close at 201 pence.

Mr. Chandler reiterated Vickers' aim to return cash to shareholders and expand the propulsion and defense businesses through acquisitions, using the proceeds of disposals.

(AFP, Reuters, Bloomberg)

Russia's Budget Bolsters Hopes for Ruble and Loan

Compiled by Our Staff From Dispatches

BOON — Boris Nemtsov, the first deputy prime minister of Russia, said Wednesday that the passage of the 1998 budget would help prop the ruble and that he expected the International Monetary Fund to give Russia a loan in May.

Speaking in Bonn, Mr. Nemtsov hailed the decision of the Russian Duma, or lower house of Parliament, to approve a budget that will help narrow the federal budget deficit. The budget is the "most realistic" so far, he said, and he expected it to help support the ruble.

The ruble has fallen since October amid turmoil in emerging financial markets. It closed Wednesday at 6.075 rubles, little changed from 6.073 on Tuesday.

The country's improving financial picture will enable the Bank of Russia to lower the refinancing rate—or rate commercial banks charge each other to borrow money—by the end of the year, Mr. Nemtsov said.

The bank last cut the refinancing rate Friday, when it lowered it to 36 percent from 39 percent. It was the second cut in less than a month.

Michel Camdessus, the IMF's managing director, said last month that the agency would extend by one year and increase the scale of Russia's three-year \$9.3 billion loan.

The budget's passage Wednesday marked the end of five months of wrangling. Deputies and the government expected a tough battle during the session Wednesday after the initial attempt to pass the long-overdue budget in the Duma at its fourth

and final reading brought confusion and deadlock on Feb. 20.

But passage came after Gennadi Seleznevov, the speaker of the Duma, cut short a debate on amendments by demanding "I ask you to vote for the budget as a whole."

"The budget is passed, thank you," he said a minute later when big screens showed 252 deputies of the opposition-dominated chamber voted for the draft, slightly more than the 226 needed.

The government had been leaning on the Duma to pass the budget since October, saying it was crucial for maintaining a stable economic growth in 1998.

But late last month President Boris Yeltsin said the draft needed serious gap-filling amendments to take account of the Asian financial crisis.

(Bloomberg, Reuters)

Thomson's Profit Tripled Last Year

Compiled by Our Staff From Dispatches

PARIS — Thomson-CSF reported Wednesday a tripling in 1997 profit, giving the defense electronics firm's new chairman a strong card as he negotiates a big company overhaul prior to forging European alliances.

Thomson's profit rose to 2.12 billion francs (\$349.3 million) last year from 745 million francs in 1996. Sales rose 5 percent to 38.53 billion francs.

Chairman Denis Ranque is negotiating the entry of Alcatel Alsthom SA, Aerospace and Defense Industries SA into Thomson-CSF's capital in exchange for certain key assets, which will give Thomson extra firepower.

Under a blueprint adopted by the government last year, Alcatel will transfer its space and military communications activities, while Dassault will chip in with assets of the radar and electronic countermeasures specialist Dassault Electronique SA. Aerospace will contribute its satellites.

Thomson is Europe's biggest defense electronics company, in sales terms, and ranks third after Lockheed Martin Corp. and Raytheon Co., but still needs to strike European alliances to stay competitive at the world level.

Mr. Ranque said that once the domestic restructuring was over, he would look for European partners.

(Reuters, Bloomberg)

EU Examines WorldCom-MCI Deal

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission said Wednesday it had opened an investigation into WorldCom Corp.'s proposed purchase of MCI Communications Corp. because of concerns about the new company's combined market share in supplies of Internet backbone services.

The commission, which plays the role of competition watchdog for the 15-member European Union, has four months to decide whether to clear the deal. Although both companies are based in the United States, the Commission has the power to vet any mergers that could harm competition in the EU.

MCI Communications and WorldCom said they were confident the commission would approve their deal, which they expect to be completed on schedule in mid-1998.

The commission said its primary concern is the companies' dominant share of the "backbone" networks over which Internet information travels, but said it could not quantify what share of European Internet traffic the combined company would control.

"The commission might be buying time because the Internet has suddenly become a rather sensitive issue," said John Clarke, an analyst at Daiwa Europe.

In the United States, at least 40 other companies have the infrastructure to carry Internet traffic, Jim Monroe, an MCI spokesman, said. But in Europe, MCI and WorldCom face 75 percent less competition.

While the commission rarely blocks mergers outright, it often imposes conditions on companies to guarantee more competition.

On Wednesday, the commission cleared the \$33 billion merger of United Bank of Switzerland and Swiss Bank Corp.

(Reuters, Bloomberg)

WORLD STOCK MARKETS

Wednesday, March 4

Prices in local currencies.

Tel Aviv

High Low Close Prev.

Amsterdam

High Low Close Prev.

ASEI Index: 10474.4

Previous: 10474.4

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NYSE

Wednesday's 4 P.M. Close
The 2,600 most traded stocks of the day.
National prices not reflecting late trades elsewhere.
The Associated Press.

12 Month High Low Stock Div Yld PE 100 High Low/Lowest Chgs

A-B-C									
1	2	3	4	5	6	7	8	9	10
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31	32	33	34	35	36	37	38	39	40
41	42	43	44	45	46	47	48	49	50
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61	62	63	64	65	66	67	68	69	70
71	72	73	74	75	76	77	78	79	80
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D-E-F									
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J-K-L									
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P-Q-R									
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S-T-U									
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MALAYSIA Bullish on Bouncing Back

Malaysia's stock market is showing signs of recovery after a period of volatility. Analysts predict a bullish trend as the market bounces back from recent lows. The market is expected to continue its upward trajectory as investors regain confidence in the economy.

Japan Bank

...and more...

Japanese Put Their Trust in Home Safes

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ASIA/PACIFIC

Japan Banks Cut Back as Bailout Beckons

TOKYO — Several Japanese banks said Wednesday they would reduce their work forces and tighten their businesses to qualify for government funding to prop up their weak balance sheets.

To tap into public funds totaling as much as 13 trillion yen (\$103.5 billion), banks need to come up with plans to cut personnel costs, including the number of executives, and reduce the number of their branches.

Dai-ichi Kangyo Bank Ltd. said Wednesday it would reduce its work force by around 10 percent over the next three years beginning April 1. It will also cut its domestic branches by about 10 percent to less than 310 in the same period.

Bank of Tokyo-Mitsubishi Ltd., the world's biggest bank in terms of

assets, said it would cut 1,500 staff and shut about 40 domestic offices in the next three years to qualify for using public funds.

Other Japanese banks, including Sanwa Bank Ltd. and Sakura Bank Ltd., said they would lay off thousands of staff and close branches.

By Wednesday evening, seven of the 18 biggest banks had announced plans to sell preferred shares or bonds to the government to replenish capital depleted through bad-loan write-offs.

Japanese banks are typically heavily staffed and boast large assets, but they bring lower profits than their Western competitors. Tokyo-Mitsubishi alone has more than 18,000 employees.

But analysts were skeptical of the scramble to meet the bailout rules,

saying that the banks should have retrenched in those areas regardless of any government program. The analysts said more drastic measures were needed to restore the banks to financial health.

Kouya Hasegawa of Nikko Research Center, said Japanese banks were planning to lower wages of employees and branch numbers because they were required to do so under rules set by the committee, rather than through their own initiative.

Analysts say that many of the banks do not need the money and that the government is making them take it mainly to restore public confidence in a financial system rattled by high-profile bankruptcies, falling profits and scandals.

"I think we've gotten into political theater," said Walter Alibert,

an analyst at Jardine Fleming Securities (Asia) Ltd. "In many cases, the banks are going to be receiving taxpayers' money on terms roughly comparable to what they've gotten in the market. And they're doing this solely because the powers that be are forcing the money upon them."

Some lenders are raising their own funds, even as they take government money.

Sanwa Bank Ltd. last month said it would raise 150 billion yen by selling 50 million preferred shares abroad. That was significant because the government will look at such fund-raising efforts to decide how much to charge banks now.

Other banks, including Sumitomo Bank Ltd., have raised capital overseas by selling preferred securities. (Reuters, AFP, Bloomberg)

Central Bank In Thailand On Defensive

By Thomas Crampton
International Herald Tribune

BANGKOK — The central bank of Thailand on Wednesday denied an accusation that it had been responsible for spending billions of dollars last year in a failed effort to prop up a host of financial institutions.

Ministers of the three-month-old government of Prime Minister Chuan Leekpai spent six hours Tuesday questioning the central bank governor, Chaivarat Wibulsasdi, trying to determine who authorized spending the money.

"The Ministry of Finance set policy, but day-to-day decisions were made by the Bank of Thailand governors," said Tanya Srivethin, assistant governor of the central bank. "Everything was according to government policy and the Ministry of Finance was informed of all actions."

The bank said that more than 80 percent of the funds had been approved by the government of Prime Minister Chavalit Yongchaiyudh, who resigned in November.

In little more than a year, the central bank built up liabilities of 1.1 trillion baht (\$25.4 billion) — equivalent to one-fifth of the nation's gross domestic product — largely to support financial institutions as panicked depositors withdrew their money.

Analysts said the debate between the new government and the Bank of Thailand was a sign that the nation was opening the management of the economy to more scrutiny. Several ministers recommended reorganizing the bank to institute a more transparent structure.

The money loaned by the central bank was disbursed through the Financial Institutions Development Fund, a separate entity run out of the central bank and led by the governor of the Bank of Thailand.

"At that time, the instability and lack of confidence meant there was systemic risk," Mrs. Tanya said. "With individual institutions unable to pay depositors, the crisis would affect the whole economy."

Much of the money was spent supporting 56 politically powerful finance companies and four commercial banks, all of which the authorities have closed or nationalized in the last six months.

The loans to the banks have been converted into equity for the most part, and all loans extended to the 56 finance companies are tied up until their assets are auctioned off.

On Wednesday, the central bank called a news conference to release statistics concerning the liabilities built up by the Financial Institutions Development Fund.

The statistics showed that the fund had 716.1 billion baht of loans outstanding that were extended to maintain liquidity at commercial banks and finance companies.

Japanese Put Their Trust in Home Safes

TOKYO — Shaken faith in banks and record-low interest rates in Japan have prompted a run on home safes.

"Demand is so strong right now that all our workers put in at least three hours of overtime every day, and we've had to cancel Saturday vacations as well," said Tsutomu Ishii, a manager at Eiko Yamada, one of Japan's largest makers of safes.

"In fact, our machines are pushed right to the limit — we simply can't make any more."

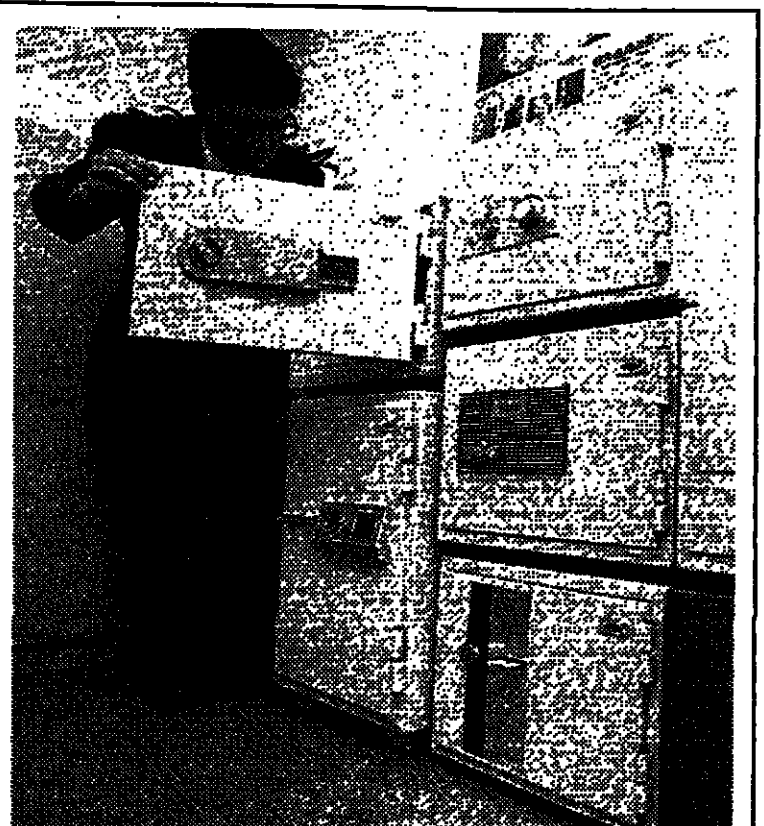
A fresh warning bell sounded for Japan's banking industry Monday, when Fuji Bank Ltd., one of the nation's largest, had its long-term ratings cut to one grade above junk status by a U.S. ratings agency, Standard & Poor's Corp. Confidence in Japan's financial sector has withered since November 1997, when several companies, including giant Yamaichi Securities and Hokkaido Tokai Bank, one of Japan's 10 largest, collapsed.

Many other firms, burdened with a mountain of bad debt, are expected to come under increasing pressure when annual earnings results are released later this spring.

"Sales of safes began picking up from around the end of November last year, and there is no doubt this is due to fears about the financial system," said a floor manager at one of Tokyo's largest department stores.

Although he used to sell three to four a month, volume doubled from November on and shot up to 22 in February.

At Eiko Yamada, production rose from 10,000 safes in November to 15,000 in February.



A representative of Eiko Yamada Co., Japan's largest maker of safes, demonstrating one of his company's best-selling models. Safes are selling well because of the economic downturn.

"Profits for calendar 1998 are likely to be up 150 percent over last year," Mr. Ishii said.

Bank collapses are not the only fear behind the current boom.

Bank interest rates of only 0.5 percent and memories of the devastating Kobe earthquake three years ago are also encouraging people to buy home safes, industry analysts say.

The best-selling models are fireproof and weigh 50 to 100 kilograms, but are about 50 centimeters wide and 40 high — small enough to fit in the tiniest of Japan's famously cramped houses.

The floor manager said most customers were in their 40s to 60s.

"People who finally have a little bit of money to spare" — although some younger people were buying safes as gifts for their parents.

While there is no ceiling on prices for top of the line safes, most buyers refuse to pay much more than 20,000 yen (\$160).

"There's always been a feeling in Japan that nobody can protect your valuables but yourself," Mr. Ishii said, "and this has only gotten stronger after Yamaichi and the other failures."

"You're buying security, but what's best is that you can do it without a huge investment," he added.

Japan's 'Mr. Yen' Denies Charges of Influence Peddling

Bloomberg News

BANGKOK — Eisuke Sakakibara, Japan's deputy finance minister for international affairs, said Wednesday that allegations he abused his authority were groundless and that he would not resign.

Mr. Sakakibara said "there is no evidence" he was involved in any influence peddling as some politicians charged. "I don't think this will have any impact on my career," he said.

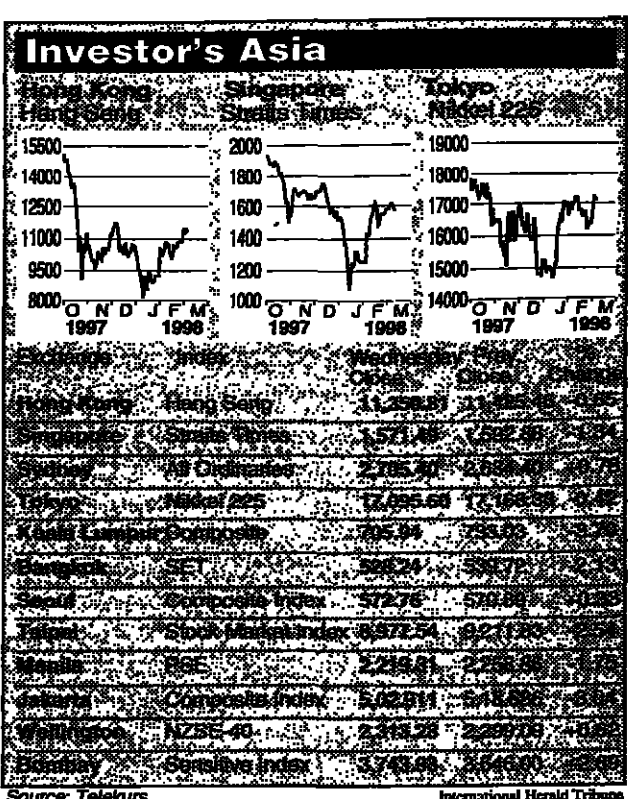
Mr. Sakakibara, touring Southeast Asia to underscore Japan's financial commitment to the financially troubled region, spoke at a press conference at Thailand's Finance Ministry.

He is being investigated by Japan's Ministry of Finance on charges he intervened on behalf of a company to help it recoup losses on investments handled by Daiwa Securities Co. in the early 1990s, Finance Minister Hikoichi Matsunaga told Parliament on Tuesday.

The allegations were raised in Parliament by Shozo Kusakawa, an opposition lawmaker who cited his own investigation. "We will investigate, looking at the materials from that time," Mr. Matsunaga said.

Mr. Sakakibara, known as "Mr. Yen" for his influence on the currency markets, has talked up the Japanese currency in recent months. Any diminishing of his role could reduce the effectiveness of that policy.

Toshiro Muto, the ministry's secretary general, told Parliament Tuesday that the ministry investigated the allegations in 1991, when the issue was first raised by legislators. Mr. Muto said the ministry received a report from Daiwa at the time that compensation was paid after the securities company found one of its branch managers made trades without the client's permission.



Very briefly:

- Tokyo prosecutors arrested three former top executives of Yamaichi Securities Co., including the failed brokerage's former chairman and president, on suspicion of violating Japan's securities law. The three men were charged with ordering false securities reports that omitted losses of more than 260 billion yen (\$2.07 billion) last year.
- U.S. trade officials said Japan had failed to meet the two sides' targets for deregulating its restricted markets during high-level talks in Tokyo.
- Japan will appoint a woman, Eiko Shinotsuka, professor of labor economics at Tokyo's Ochanomizu University, for the first time to the policy-making board of the Bank of Japan, news reports said.
- Australia's gross domestic product grew a seasonally adjusted 0.5 percent in the last quarter of 1997, below forecasts of a rise of 0.8 percent.
- Cisco Systems Inc. opened its first overseas networking multimedia laboratory in Taipei to help develop local information and technology industry.
- Digital Equipment Corp. has taken a 51 percent stake in a \$3 million joint venture with START Computer Group of China to make Digital-branded desktops and servers.
- Development Bank of Singapore Ltd. posted a 34.8 percent fall in 1997 net profit, to 436.4 million Singapore dollars (\$268.6 million), saying its bottom line had suffered from large provisions for bad or doubtful loans.
- Compaq Computer Corp. unveiled in Singapore the Deskpro 1000, the first of a series of low-priced but powerful personal computers targeted at crisis-hit Asian economies and emerging markets.
- Mitsubishi Electric Corp. will stop selling desktop personal computers for home use in Japan because of poor sales, and has decided to withdraw from the British home-computer market, Nikkei English News reported. (Reuters, AFP, Bloomberg)

Texas Instruments to Cut Acer Link

TAIPEI — Acer Group said Wednesday that Texas Instruments Inc. planned to pull out of its nine-year memory-chip venture with the Taiwan company because of huge losses.

Acer, with a 49 percent stake in the venture, said it would buy Texas Instruments' 33 percent stake at an undisclosed price. TI-Acer posted a loss of about 4.6 billion Taiwan dollars (\$143.5 million) for 1997 due to a drop in the prices for its sole product, dynamic random-access memory chips.

Announcements

Herald Tribune

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and
Raymond Phipps
on the birth of their son,
RIK
(February 21st 1998)

All the best, Diana, Andrew
and your friends at the Trib

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1,000 most traded National Market securities
terms of dollar value, updated twice a day
The Associated Press

High	12 Month Low	Stock	Div	Yld	PE	52 Week High	Low	Latest	Chg
A-B-C									
30	15	ABBOTT LABORATORIES	1.00	4.00	15	50	45	48	+
25	12	ACCOCK & CO	0.00	0.00	15	25	20	22	+
20	10	ACER	0.00	0.00	15	20	15	18	+
15	7	ACER	0.00	0.00	15	15	10	12	+
10	5	ACER	0.00	0.00	15	10	5	8	+
5	2	ACER	0.00	0.00	15	5	2	4	+
100	50	ACER	0.00	0.00	15	100	50	80	+
150	75	ACER	0.00	0.00	15	150	75	120	+
200	100	ACER	0.00	0.00	15	200	100	160	+
250	125	ACER	0.00	0.00	15	250	125	200	+
300	150	ACER	0.00	0.00	15	300	150	240	+
350	175	ACER	0.00	0.00	15	350	175	280	+
400	200	ACER	0.00	0.00	15	400	200	320	+
450	225	ACER	0.00	0.00	15	450	225	360	+
500	250	ACER	0.00	0.00	15	500	250	400	+
550	275	ACER	0.00	0.00	15	550	275	440	+
600	300	ACER	0.00	0.00	15	600	300	480	+
650	325	ACER	0.00	0.00	15	650	325	520	+
700	350	ACER	0.00	0.00	15	700	350	560	+
750	375	ACER	0.00	0.00	15	750	375	600	+
800	400	ACER	0.00	0.00	15	800	400	640	+
850	425	ACER	0.00	0.00	15	850	425	680	+
900	450	ACER	0.00	0.00	15	900	450	720	+
950	475	ACER	0.00	0.00	15	950	475	760	+
1000	500	ACER	0.00	0.00	15	1000	500	800	+
1050	525	ACER	0.00	0.00	15	1050	525	840	+
1100	550	ACER	0.00	0.00	15	1100	550	880	+
1150	575	ACER	0.00	0.00	15	1150	575	920	+
1200	600	ACER	0.00	0.00	15	1200	600	960	+
1250	625	ACER	0.00	0.00	15	1250	625	1000	+
1300	650	ACER	0.00	0.00	15	1300	650	1040	+
1350	675	ACER	0.00	0.00	15	1350	675	1080	+
1400	700	ACER	0.00	0.00	15	1400	700	1120	+
1450	725	ACER	0.00	0.00	15	1450	725	1160	+
1500	750	ACER	0.00	0.00	15	1500	750	1200	+
1550	775	ACER	0.00	0.00	15	1550	775	1240	+
1600	800	ACER	0.00	0.00	15	1600	800	1280	+
1650	825	ACER	0.00	0.00	15	1650	825	1320	+
1700	850	ACER	0.00	0.00	15	1700	850	1360	+
1750	875	ACER	0.00	0.00	15	1750	875	1400	+
1800	900	ACER	0.00	0.00	15	1800	900	1440	+
1850	925	ACER	0.00	0.00	15	1850	925	1480	+
1900	950	ACER	0.00	0.00	15	1900	950	1520	+
1950	975	ACER	0.00	0.00	15	1950	975	1560	+
2000	1000	ACER	0.00	0.00	15	2000	1000	1600	+
2050	1025	ACER	0.00	0.00	15	2050	1025	1640	+
2100	1050	ACER	0.00	0.00	15	2100	1050	1680	+
2150	1075	ACER	0.00	0.00	15	2150	1075	1720	+
2200	1100	ACER	0.00	0.00	15	2200	1100	1760	+
2250	1125	ACER	0.00	0.00	15	2250	1125	1800	+
2300	1150	ACER	0.00	0.00	15	2300	1150	1840	+
2350	1175	ACER	0.00	0.00	15	2350	1175	1880	+
2400	1200	ACER	0.00	0.00	15	2400	1200	1920	+
2450	1225	ACER	0.00	0.00	15	2450	1225	1960	+
2500	1250	ACER	0.00	0.00	15	2500	1250	2000	+
2550	1275	ACER	0.00	0.00	15	2550	1275	2040	+
2600	1300	ACER	0.00	0.00	15	2600	1300	2080	+
2650	1325	ACER	0.00	0.00	15	2650	1325	2120	+
2700	1350	ACER	0.00	0.00	15	2700	1350	2160	+
2750	1375	ACER	0.00	0.00	15	2750	1375	2200	+
2800	1400	ACER	0.00	0.00	15	2800	1400	2240	+
2850	1425	ACER	0.00	0.00	15	2850	1425	2280	+
2900	1450	ACER	0.00	0.00	15	2900	1450	2320	+
2950	1475	ACER	0.00	0.00	15	2950	1475	2360	+
3000	1500	ACER	0.00	0.00	15	3000	1500	2400	+
3050	1525	ACER	0.00	0.00	15	3050	1525	2440	+
3100	1550	ACER	0.00	0.00	15	3100	1550	2480	+
3150	1575	ACER	0.00	0.00	15	3150	1575	2520	+
3200	1600	ACER	0.00	0.00	15	3200	1600	2560	+
3250	1625	ACER	0.00	0.00	15	3250	1625	2600	+
3300	1650	ACER	0.00	0.00	15	3300	1650	2640	+
3350	1675	ACER	0.00	0.00	15	3350	1675	2680	+
3400	1700	ACER	0.00	0.00	15	3400	1700	2720	+
3450	1725	ACER	0.00	0.00	15	3450	1725	2760	+
3500	1750	ACER	0.00	0.00	15	3500	1750	2800	+
3550	1775	ACER	0.00	0.00	15	3550	1775	2840	+
3600	1800	ACER	0.00	0.00	15	3600	1800	2880	+
3650	1825	ACER	0.00	0.00	15	3650	1825	2920	+
3700	1850	ACER	0.00	0.00	15	3700	1850	2960	+
3750	1875	ACER	0.00	0.00	15	3750	1875	3000	+
3800	1900	ACER	0.00	0.00	15	3800	1900	3040	+
3850	1925	ACER	0.00	0.00	15	3850	1925	3080	+
3900	1950	ACER	0.00	0.00	15	3900	1950	3120	+
3950	1975	ACER	0.00	0.00	15	3950	1975	3160	+
4000	2000	ACER	0.00	0.00	15	4000	2000	3200	+
4050	2025	ACER	0.00	0.00	15	4050	2025	3240	+
4100	2050	ACER	0.00	0.00	15	4100	2050	3280	+
4150	2075	ACER	0.00	0.00	15	4150	2075	3320	+
4200	2100	ACER	0.00	0.00	15	4200	2100	3360	+
4250	2125	ACER	0.00	0.00	15	4250	2125	3400	+
4300	2150	ACER	0.00	0.00	15	4300	2150	3440	+
4350	2175	ACER	0.00	0.00	15	4350	2175	3480	+
4400	2200	ACER	0.00	0.00	15	4400	2200	3520	+
4450	2225	ACER	0.00	0.00	15	4450	2225	3560	+
4500	2250	ACER	0.00	0.00	15	4500	2250	3600	+
4550	2275	ACER	0.00	0.00	15	4550	2275	3640	+
4600	2300	ACER	0.00	0.00	15	4600	2300	3680	+
4650	2325	ACER	0.00	0.00	15	4650	2325	3720	+
4700	2350	ACER	0.00	0.00	15	4700	2350	3760	+
4750	2375	ACER	0.00	0.00	15	4750	2375	3800	+
4800	2400	ACER	0.00	0.00	15	4800	2400	3840	+
4850	2425	ACER	0.00	0.00	15	4850	2425	3880	+
4900	2450	ACER	0.00	0.00	15	4900	2450	3920	+
4950	2475	ACER	0.00	0.00	15	4950	2475	3960	+
5000	2500	ACER	0.00	0.00	15	5000	2500	4000	+
5050	2525	ACER	0.00	0.00	15	5050	2525	4040	+
5100	2550	ACER	0.00	0.00	15	5100	2550	4080	+
5150	2575	ACER	0.00	0.00	15	5150	2575	4120	+
5200	2600	ACER	0.00	0.00	15	5200	2600	4160	+
5250	2625	ACER	0.00	0.00	15	5250	2625	4200	+
5300	2650	ACER	0.00	0.00	15	5300	2650	4240	+
5350	2675	ACER	0.00	0.00	15	5350	2675	4280	+
5400	2700	ACER	0.00	0.00	15	5400	2700	4320	+
5450	2725	ACER	0.00	0.00	15	5450	2725	4360	+
5500	2750	ACER	0.00	0.00	15	5500	2750	4400	+
5550	2775	ACER	0.00	0.00	15	5550	2775	4440	+
5600	2800	ACER	0.00	0.00	15	5600	2800	4480	+
5650	2825	ACER	0.00	0.00	15	5650	2825	4520	+
5700	2850	ACER	0.00	0.00	15	5700	2850	4560	+
5750	2875	ACER	0.00	0.00	15	5750	2875	4600	+
5800	2900	ACER	0.00	0.00	15	5800	2900	4640	+
5850	2925	ACER	0.00	0.00	15	5850	2925	4680	+
5900	2950	ACER	0.00	0.00	15	5900	2950	4720	+
5950	2975	ACER	0.00	0.00	15	5950	2975	4760	+
6000	3000	ACER	0.00	0.00	15	6000	3000	4800	+
6050	3025	ACER	0.00	0.00	15	6050	3025	4840	+
6100	3050	ACER	0.00	0.00	15	6100	3050	4880	+
6150	3075	ACER	0.00	0.00	15	6150	3075	4920	+
6200	3100	ACER	0.00	0.00	15	6200	3100	4960	+
6250	3125	ACER	0.00	0.00	15	6250	3125	5000	+
6300	3150	ACER	0.00	0.00	15	6300	3150	5040	+
6350	3175	ACER	0.00	0.00	15	6350	3175	5080	+
6400	3200	ACER	0.00	0.00	15	6400	3200	5120	+
6450	3225	ACER	0.00	0.00	15	6450	3225	5160	+
6500	3250	ACER	0.00	0.00	15	6500	3250	5200	+
6550	3275	ACER	0.00	0.00	15	6550	3275	5240	+
6600	3300	ACER	0.00	0.00	15	6600	3300	5280	+
6650	3325	ACER	0.00	0.00	15	6650	3325	5320	+
6700	3350	ACER	0.00	0.00	15	6700	3350	5360	+
6750	3375	ACER	0.00	0.00	15	6750	3375	5400	+
6800	3400	ACER	0.00	0.00	15	6800	3400	5440	+
6850	3425	ACER	0.00	0.00	15	6850	3425	5480	+
6900	3450	ACER	0.00	0.00	15	6900	3450	5520	+
6950	3475	ACER	0.00	0.00	15	6950	3475	5560	+
7000	3500	ACER	0.00	0.00	15	7000	3500	5600	+
7050	3525	ACER</							

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	12 Month	Stock	Div	Yr	PE	High	Low	Latest
1990-1991	117 1/2	1.00	1990	11.75	117 1/2	117 1/2	117 1/2	117 1/2
1991-1992	117 1/2	1.00	1991	11.75	117 1/2	117 1/2	117 1/2	117 1/2
1992-1993	117 1/2	1.00	1992	11.75	117 1/2	117 1/2	117 1/2	117 1/2
1993-1994	117 1/2	1.00	1993	11.75	117 1/2	117 1/2	117 1/2	117 1/2
1994-1995	117 1/2	1.00	1994	11.75	117 1/2	117 1/2	117 1/2	117 1/2
1995-1996	117 1/2	1.00	1995	11.75	117 1/2	117 1/2	117 1/2	117 1/2
1996-1997	117 1/2	1.00	1996	11.75	117 1/2	117 1/2	117 1/2	117 1/2
1997-1998	117 1/2	1.00	1997	11.75	117 1/2	117 1/2	117 1/2	117 1/2
1998-1999	117 1/2	1.00	1998	11.75	117 1/2	117 1/2	117 1/2	117 1/2
1999-2000	117 1/2	1.00	1999	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2000-2001	117 1/2	1.00	2000	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2001-2002	117 1/2	1.00	2001	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2002-2003	117 1/2	1.00	2002	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2003-2004	117 1/2	1.00	2003	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2004-2005	117 1/2	1.00	2004	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2005-2006	117 1/2	1.00	2005	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2006-2007	117 1/2	1.00	2006	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2007-2008	117 1/2	1.00	2007	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2008-2009	117 1/2	1.00	2008	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2009-2010	117 1/2	1.00	2009	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2010-2011	117 1/2	1.00	2010	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2011-2012	117 1/2	1.00	2011	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2012-2013	117 1/2	1.00	2012	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2013-2014	117 1/2	1.00	2013	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2014-2015	117 1/2	1.00	2014	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2015-2016	117 1/2	1.00	2015	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2016-2017	117 1/2	1.00	2016	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2017-2018	117 1/2	1.00	2017	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2018-2019	117 1/2	1.00	2018	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2019-2020	117 1/2	1.00	2019	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2020-2021	117 1/2	1.00	2020	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2021-2022	117 1/2	1.00	2021	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2022-2023	117 1/2	1.00	2022	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2023-2024	117 1/2	1.00	2023	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2024-2025	117 1/2	1.00	2024	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2025-2026	117 1/2	1.00	2025	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2026-2027	117 1/2	1.00	2026	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2027-2028	117 1/2	1.00	2027	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2028-2029	117 1/2	1.00	2028	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2029-2030	117 1/2	1.00	2029	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2030-2031	117 1/2	1.00	2030	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2031-2032	117 1/2	1.00	2031	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2032-2033	117 1/2	1.00	2032	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2033-2034	117 1/2	1.00	2033	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2034-2035	117 1/2	1.00	2034	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2035-2036	117 1/2	1.00	2035	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2036-2037	117 1/2	1.00	2036	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2037-2038	117 1/2	1.00	2037	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2038-2039	117 1/2	1.00	2038	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2039-2040	117 1/2	1.00	2039	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2040-2041	117 1/2	1.00	2040	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2041-2042	117 1/2	1.00	2041	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2042-2043	117 1/2	1.00	2042	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2043-2044	117 1/2	1.00	2043	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2044-2045	117 1/2	1.00	2044	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2045-2046	117 1/2	1.00	2045	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2046-2047	117 1/2	1.00	2046	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2047-2048	117 1/2	1.00	2047	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2048-2049	117 1/2	1.00	2048	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2049-2050	117 1/2	1.00	2049	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2050-2051	117 1/2	1.00	2050	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2051-2052	117 1/2	1.00	2051	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2052-2053	117 1/2	1.00	2052	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2053-2054	117 1/2	1.00	2053	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2054-2055	117 1/2	1.00	2054	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2055-2056	117 1/2	1.00	2055	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2056-2057	117 1/2	1.00	2056	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2057-2058	117 1/2	1.00	2057	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2058-2059	117 1/2	1.00	2058	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2059-2060	117 1/2	1.00	2059	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2060-2061	117 1/2	1.00	2060	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2061-2062	117 1/2	1.00	2061	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2062-2063	117 1/2	1.00	2062	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2063-2064	117 1/2	1.00	2063	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2064-2065	117 1/2	1.00	2064	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2065-2066	117 1/2	1.00	2065	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2066-2067	117 1/2	1.00	2066	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2067-2068	117 1/2	1.00	2067	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2068-2069	117 1/2	1.00	2068	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2069-2070	117 1/2	1.00	2069	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2070-2071	117 1/2	1.00	2070	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2071-2072	117 1/2	1.00	2071	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2072-2073	117 1/2	1.00	2072	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2073-2074	117 1/2	1.00	2073	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2074-2075	117 1/2	1.00	2074	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2075-2076	117 1/2	1.00	2075	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2076-2077	117 1/2	1.00	2076	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2077-2078	117 1/2	1.00	2077	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2078-2079	117 1/2	1.00	2078	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2079-2080	117 1/2	1.00	2079	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2080-2081	117 1/2	1.00	2080	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2081-2082	117 1/2	1.00	2081	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2082-2083	117 1/2	1.00	2082	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2083-2084	117 1/2	1.00	2083	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2084-2085	117 1/2	1.00	2084	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2085-2086	117 1/2	1.00	2085	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2086-2087	117 1/2	1.00	2086	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2087-2088	117 1/2	1.00	2087	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2088-2089	117 1/2	1.00	2088	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2089-2090	117 1/2	1.00	2089	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2090-2091	117 1/2	1.00	2090	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2091-2092	117 1/2	1.00	2091	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2092-2093	117 1/2	1.00	2092	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2093-2094	117 1/2	1.00	2093	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2094-2095	117 1/2	1.00	2094	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2095-2096	117 1/2	1.00	2095	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2096-2097	117 1/2	1.00	2096	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2097-2098	117 1/2	1.00	2097	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2098-2099	117 1/2	1.00	2098	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2099-2100	117 1/2	1.00	2099	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2100-2101	117 1/2	1.00	2100	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2101-2102	117 1/2	1.00	2101	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2102-2103	117 1/2	1.00	2102	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2103-2104	117 1/2	1.00	2103	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2104-2105	117 1/2	1.00	2104	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2105-2106	117 1/2	1.00	2105	11.75	117 1/2	117 1/2	117 1/2	117 1/2
2106-2107	117 1/2							

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Wednesday's 4 P.M. Close
(Continued)

[illegible][illegible][illegible][illegible]

12 Month	High	Low	Stock	Div Yld	PE	100%	High	Low	Latest
1997	17.00	16.00	1000000	1.00	10.00	100%	17.00	16.00	16.00
1998	18.00	17.00	1100000	1.10	11.00	110%	18.00	17.00	17.00
1999	19.00	18.00	1200000	1.20	12.00	120%	19.00	18.00	18.00
2000	20.00	19.00	1300000	1.30	13.00	130%	20.00	19.00	19.00
2001	21.00	20.00	1400000	1.40	14.00	140%	21.00	20.00	20.00
2002	22.00	21.00	1500000	1.50	15.00	150%	22.00	21.00	21.00
2003	23.00	22.00	1600000	1.60	16.00	160%	23.00	22.00	22.00
2004	24.00	23.00	1700000	1.70	17.00	170%	24.00	23.00	23.00
2005	25.00	24.00	1800000	1.80	18.00	180%	25.00	24.00	24.00
2006	26.00	25.00	1900000	1.90	19.00	190%	26.00	25.00	25.00
2007	27.00	26.00	2000000	2.00	20.00	200%	27.00	26.00	26.00
2008	28.00	27.00	2100000	2.10	21.00	210%	28.00	27.00	27.00
2009	29.00	28.00	2200000	2.20	22.00	220%	29.00	28.00	28.00
2010	30.00	29.00	2300000	2.30	23.00	230%	30.00	29.00	29.00
2011	31.00	30.00	2400000	2.40	24.00	240%	31.00	30.00	30.00
2012	32.00	31.00	2500000	2.50	25.00	250%	32.00	31.00	31.00
2013	33.00	32.00	2600000	2.60	26.00	260%	33.00	32.00	32.00
2014	34.00	33.00	2700000	2.70	27.00	270%	34.00	33.00	33.00
2015	35.00	34.00	2800000	2.80	28.00	280%	35.00	34.00	34.00
2016	36.00	35.00	2900000	2.90	29.00	290%	36.00	35.00	35.00
2017	37.00	36.00	3000000	3.00	30.00	300%	37.00	36.00	36.00
2018	38.00	37.00	3100000	3.10	31.00	310%	38.00	37.00	37.00
2019	39.00	38.00	3200000	3.20	32.00	320%	39.00	38.00	38.00
2020	40.00	39.00	3300000	3.30	33.00	330%	40.00	39.00	39.00
2021	41.00	40.00	3400000	3.40	34.00	340%	41.00	40.00	40.00
2022	42.00	41.00	3500000	3.50	35.00	350%	42.00	41.00	41.00
2023	43.00	42.00	3600000	3.60	36.00	360%	43.00	42.00	42.00
2024	44.00	43.00	3700000	3.70	37.00	370%	44.00	43.00	43.00
2025	45.00	44.00	3800000	3.80	38.00	380%	45.00	44.00	44.00
2026	46.00	45.00	3900000	3.90	39.00	390%	46.00	45.00	45.00
2027	47.00	46.00	4000000	4.00	40.00	400%	47.00	46.00	46.00
2028	48.00	47.00	4100000	4.10	41.00	410%	48.00	47.00	47.00
2029	49.00	48.00	4200000	4.20	42.00	420%	49.00	48.00	48.00
2030	50.00	49.00	4300000	4.30	43.00	430%	50.00	49.00	49.00
2031	51.00	50.00	4400000	4.40	44.00	440%	51.00		

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For information on how to list your fund, fax Katy Hourli at (33-1) 41 43 92 12 or E-mail : funds@int.com
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WORLD ROUNDUP

Arbitrator Rules In Sprewell's Favor

BASKETBALL Latrell Sprewell, dismissed and suspended for a year for attacking his coach, won both his grievances on Wednesday when an arbitrator ruled that his team must reinstate him and the National Basketball Association must reduce his suspension by five months.

Sprewell will become a member of the Golden State Warriors on July 1.

He was suspended for one year by the NBA's commissioner, David Stern — the longest non-drug-related penalty in league history — for his Dec. 1 attack on Coach P. J. Carlesimo. Stern cited the "premeditated" nature of the attack, but an arbitrator, John Feerick, rejected that characterization.

"The evidence indicates that there is no history of both the league and a team imposing discipline for the same violent conduct, on or off the court," Feerick wrote in his decision. "This speaks to the issue of fairness, as I see it."

The reinstatement of Sprewell's contract means he will be paid the remaining \$16.3 million he is owed over its final two years.

The decision was a resounding victory for Sprewell and the NBA players' union, which argued that the penalties were both unduly harsh and unprecedented. "This decision is a victory that is shared by Latrell and the other 400 members of our union — it reaffirms the sanctity of guaranteed contracts in the NBA," said the union's president, Billy Hunter. (AP)

Patriots' Meggett Charged With Assaulting Dancer

FOOTBALL A 33-year-old Toronto Patriot says that a New England Patriot running back, David Meggett, punched her in the face in an argument over money after she broke off a sexual encounter.

Meggett, 31, and Steve Brannon, 29, also a professional football player, were charged in Toronto with sexually assaulting the woman, an exotic dancer. Meggett also is charged with robbing her.

In interviews with Boston newspapers, the woman, whose name was not made public, gave her account of what allegedly happened last Thursday night and early Friday morning at the Royal York Hotel in Toronto. Meggett "punched me in the face from ear to ear like he was a boxer," she said. Meggett's lawyer, Alan Gold, said the woman had agreed to have sex with both men. (AP)

Yankees Hire a Woman

BASEBALL Kim Ng, director of waivers and records for the American League, was hired Wednesday as assistant general manager of the New York Yankees.

Ng became the second female assistant general manager in the majors, after Elaine Steward, who was hired by the Boston Red Sox in 1990.

Ng, who directed computer operations for the White Sox and aided in preparation for salary arbitration cases from 1990 to 1996, joined the American League in January 1997. (AP)

Surging Knicks Top Nets, 94-91

The Associated Press
Larry Johnson scored 23 points, Charles Oakley grabbed a season-high 16 rebounds and the New York Knicks shot 20-for-22 from the foul line in a gritty, 94-91 victory over the New Jersey Nets in Madison Square Garden.

Allan Houston added 20 points on Tuesday night, reaching that plateau for the 14th time in 17 games, as the Knicks improved to 9-2 since the All-Star break and moved 2½ games ahead of the Nets in the Atlantic Division.

New Jersey, losing for the sixth time in eight games, lost its All-Star center Jayson Williams, who suffered a pulled abdominal muscle. There was no immediate word on his condition.

The score was 92-91 after Sam Cassell, who led the Nets with 19 points and 10 assists, converted a 3-point play with 27.1 seconds left.

Charlie Ward, who had 10 points and eight assists for the Knicks, dribbled to run down the clock and was fouled going to the hoop with six seconds left. He made both shots for a 94-91 lead.

The Nets called a time-out and put the ball in play at half-court, finding Keith Van Horn open at the 3-point line. His shot missed, making him 4-for-14 from the field, and the clock ran out as the ball bounced away.

Jazz 108, Raptors 93 In Toronto, Shandon Anderson scored a career-high 26 points and Bryon Russell added 21 to lead a 55-point barrage as Utah beat the Raptors.

Anderson scored 18 in the first half in 17 minutes. Karl Malone scored 18 of his

22 points in the second half and added nine rebounds. John Stockton had seven points and 11 assists plus seven points.

Mavericks 110, Timberwolves 99 Cedric Ceballos scored 22 points as the Mavericks won their second road game in four nights, beating Minnesota.

Shawn Bradley, replaced in the starting lineup by a rookie, Chris Antsey, responded by coming off the bench for 16 points and five blocks.

Kevin Garnett had 21 points and 11 rebounds for the Timberwolves, playing without their injured forward Tom Gugliotta, who is out for the season with an ankle injury.

Superstars 97, Heat 81 Gary Payton snapped a shooting slump with a deep 3-pointer in overtime as visiting Seattle ended Miami's 10-game winning streak.

Payton, who was only 3-for-13 for 12 points, hit a 27-foot (8-meter) field goal as the shot clock wound down to make it 91-89 with 2:39 to play.

A minute later, Payton drove the lane and passed to Detlef Schrempf for a baseline jumper. Hersey Hawkins finished off the Heat with a hook shot to make it 95-89 with 21.2 seconds left. Hawkins and Schrempf each had 18 points for Seattle. Alonzo Mourning and Voshon Lenard each scored 20 for Miami.

Bulls 118, Nuggets 90 In Chicago, Michael Jordan scored 30 points and Scottie Pippen added 24 as the Bulls struggled for most of three quarters before routing Denver.

Dennis Rodman had 17 rebounds but was benched by the Bulls' coach, Phil Jackson, late in the third quarter after Danny Fortson, a Denver rookie, over-

powered him on three consecutive post moves, cutting Chicago's lead to 75-72.

Rockets 107, Clippers 87 Clyde Drexler scored nine of his 24 points in the fourth quarter and had 11 assists as Houston handed the Los Angeles Clippers their sixth straight road loss.

Kevin Willis added 21 points, while Hakeem Olajuwon scored 18 and had 15 rebounds as he set a Rockets record by appearing in his 1,003rd game.

Trail Blazers 98, Suns 93 Isaiah Rider scored 33 points, including a crucial four-point play with 3:59 remaining, as host Portland survived the second-quarter loss of Damon Stoudamire, who sprained his ankle, to beat Phoenix.

The Blazers led by as many as 22 in the second quarter but turned sluggish without Stoudamire. Rider's four-point play put the Blazers ahead for good at 86-83.

Jason Kidd scored 19 of his 23 in the second half for the Suns. Danny Manning added 15 points.

Pacers 111, Grizzlies 103 In Vancouver, Rik Smits scored 26 points to lead Indiana over the Grizzlies.

Indiana won its third straight despite allowing their highest point total in seven games. The Pacers were coming off back-to-back victories in which they held Portland and Denver to an NBA record-low 122 points.

Antonio Davis came off the bench to score 22, and Reggie Miller scored 20 before being ejected after his second technical foul with 1:36 left.

Shareef Abdur-Rahim led Vancouver with 27 points, his highest total in 10 games. Bryant Reeves overcame early foul trouble to finish with 21 points and seven rebounds.



The Raptors' Tracy McGrady snatching the ball away from Utah's Shandon Anderson, left, and John Stockton, but Toronto lost at home.

Ronaldo's Goal Stops Schalke; Spartak Beats Ajax



Atletico Madrid's Carlos Aguilera, left, stopping the ball with his chest as Aston Villa's Dwight Yorke closed in. Atletico won the match, 1-0.

The Associated Press
The Brazilian striker Ronaldo fired Inter Milan to a 1-0 first-leg victory over Schalke of Germany in the quarterfinal of the UEFA Cup while Spartak Moscow produced the big upset of the night — a 3-1 victory at Ajax Amsterdam.

Ronaldo struck after 17 minutes on Tuesday night at the San Siro Stadium in Milan in a repeat of last year's final.

THE UEFA CUP

The teams will play the second leg on March 17 in Gelsenkirchen, Germany.

Spartak, which has never won a European soccer title, looks almost certain to be in the UEFA Cup's final four.

Two goals from Alexander Shkirko and another by Valeri Katchinov gave Spartak a stunning victory over the Dutch league leader.

In the first leg of other UEFA quarterfinals, Lazio edged Auxerre, 1-0, and Atletico Madrid scored a 1-0 victory over Aston Villa.

Ronaldo, who moved to Inter from Barcelona last year, outdribbled two defenders and scored with a powerful left drive from 11 meters. The goal came a few minutes after the 21-year-old Brazilian star had hit the post.

Schalke, which defeated Inter on penalties in last season's final, had chances to tie, and Martin Max hit the post of Inter's goal in the 36th minute.

"We scored one goal and did not allow any. This was our goal for tonight," said Inter's French forward, Youn Djenkoff. "Schalke proved stronger than last year. We can expect a tough second leg."

In Amsterdam, Shkirko fired under goalkeeper Edwin van der Sar as he dived for the ball in the 26th minute, after Katchinov and Maxim Bouzaukin set up the play.

Shkirko made it 2-0 in the 52d minute on a pass from Egon Titov. Shota Arveladze then scored for Ajax.

The referee, Guenter Benkoe, turned down Ajax's appeals for a penalty after Arveladze went down, and it got worse for the Dutch team when Katchinov beat Van der Sar with an angled shot late in the game to make it 3-1.

A blunder by Auxerre's goalkeeper, Lionel Charbonnier, handed Lazio a 1-0 first-leg advantage. Charbonnier failed to connect on a pass and Pierluigi Casiraghi fired home Lazio's winning goal from a difficult angle.

The victory before some 30,000 fans at Rome's Olympic Stadium extended Lazio's unbeaten streak to 17 games since November. But Lazio had to spend the last 24 minutes without its Yugoslav midfielder, Vladimir Jugovic, who was ejected after a second yellow card.

In Madrid, the Italian striker Christian Vieri caused problems for the Villa defense in a one-sided first half, and he put Atletico ahead from the penalty spot three minutes before halftime.

But the English club fought back in the second half, and Julian Joachim and Dwight Yorke both missed chances to even the match.

Elsewhere in European soccer, Borussia Dortmund, the defending champion of the Champions Cup, took on Bayern Munich on Wednesday night. Manchester United, on course for a fifth league title in six years in the English Premier League, traveled to Monaco; Bayer Leverkusen hosted the six-time titlist Real Madrid and Dynamo Kiev visited Juventus of Turin.

In the Cup Winners Cup quarterfinals Thursday, Chelsea goes to Real Betis, AEK Athens hosts Lokomotiv Moscow, Vicenza plays at Roda JC and VfB Stuttgart travels to Slavia Prague.

Cup Tickets Are Likely to Stay Scarce

The Associated Press
BRUSSELS — Despite accusations of French favoritism, the European Union said Wednesday it had little hope of forcing changes in the allocation of World Cup soccer tickets to allow more foreign fans to watch their teams in person.

"It's too bad, but too much has gone wrong already," said the EU's competition commissioner, Karel van Miert, on the eve of talks in Brussels with French World Cup organizers on the issue.

Following a barrage of criticism from many European World Cup qualifying countries that not enough tickets were available for their fans, the EU told organizers to come up with a fairer distribution system.

Van Miert has objected to the method of ticket sales, claiming it discriminates against non-French nationals. He has said that too many tickets sold through tour operators were entering the black market in great quantities. Van Miert has also said it was unfair that a phone number to dial for individual tickets works only inside France. Those who buy single tickets must give a French address.

The organizing committee for the tournament, which is to take place between June 10 and July 12, maintains it is only applying FIFA rules, which allow 65 percent of the tickets to be sold in France.

At the talks on Thursday, the organizing committee will be represented by its director, Jacques Lambert, and Isabelle Delaye, who is in charge of ticketing.

SCOREBOARD

BASEBALL

EXHIBITION BASEBALL

TUESDAY RESULTS

Toronto 7, Minnesota 5	St. Louis 9, Los Angeles 1
Minnesota 6, Baltimore 6	New York Mets 5, Montreal 2
Tampa Bay 12, Cleveland 5	Seattle 5, Pittsburgh 7
San Diego 9, Kansas City 4	San Francisco 2, Philadelphia 3
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Philadelphia 3, Cincinnati 2	Florida 5, Atlanta 1
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SPORTS

Baseball Heroes

Doby, First Black in AL, Is Going To Hall With Another MacPhail

By Murray Chass
New York Times Service

Larry Doby followed Jackie Robinson by only 11 weeks in helping to break baseball's color barrier, but it took him 36 years to join him in baseball's Hall of Fame. Lee MacPhail, on the other hand, needed only 20 years to join Jackie Robinson as the first father and son to be admitted to the Hall.

Doby, whose 13-year major league career lasted three years longer than Robinson's, and MacPhail, who held nearly every executive position except commissioner in a 45-year career, were among four men elected Tuesday by the Hall of Fame's veterans committee.

Also elected were Bullet Joe Rogan, a Negro League player, and George Davis, a forgotten turn-of-the-century shortstop.

"It's kind of like a bale of cotton has been on your shoulders and now it's off," Doby, a New Jersey resident, said after receiving the news at the home of Don Newcombe, the former Brooklyn Dodgers' pitcher, in southern California.

MacPhail, a resident of New York's Long Island, was at his winter home in Delray Beach, Florida, when he was informed of the veterans committee vote.

"It's a great thrill for me. I can't quite believe it," he said. "My whole working life was baseball. Baseball was so great to me and my whole family."

Doby, MacPhail and Don Sutton, whom the Baseball

Writers Association elected, will be inducted into the Hall in Cooperstown, New York, on July 26.

Doby, 73, won election over Orlando Cepeda, Dom DiMaggio and Bill Mazeroski. The former outfielder, who currently is a special assistant to the American League president, Gene Budig, had received support from the committee last year, and at least 10 of its members decided it was Doby's time. A 75 percent vote was required.

Doby, who had a career 283 batting average playing primarily for the Cleveland Indians and the Chicago White Sox, also apparently benefited from baseball's celebration last season of the 50th anniversary of the end of the unwritten ban on black players.

Although Doby's statistics were not overwhelming — he hit 253 home runs and drove in 970 runs — committee members felt he was equal in importance to Robinson.

Doby, who had a cancerous kidney removed last October, credited the Indians' owner Bill Veeck with helping his revolutionary venture succeed.

Referring to Branch Rickey, who signed Robinson for the Brooklyn Dodgers, Doby said:

"Mr. Rickey had to have courage. So did Mr. Veeck. But Mr. Veeck more so because he wasn't thought of in the same vein as Mr. Rickey. Without him, I never would have been successful."

Doby, who made his American League debut on



Larry Doby followed Jackie Robinson by 11 weeks.

July 5, 1947, after playing four seasons in the Negro leagues, said that Veeck, made it easier for him to control his temper. "When you're 22 years old, you don't know too much about turning the other cheek," he said.

MacPhail, 80, had remarkable credentials for selection to the Hall.

In a career that began in Reading, Pennsylvania, in 1941, he served as president and general manager of the Baltimore Orioles, baseball administrator in the commissioner's office, general manager of the Yankees, president of the American League and head of the Player Relations Committee, the owners' labor body.

"I was never a general manager of a pennant winner," MacPhail said. "That was a disappointment. But the last trade I ever made and helped set up some Orioles pennants."

MacPhail referred to his trade for Frank Robinson before the 1966 season. Seven years later, MacPhail was the first general manager George Steinbrenner had as owner of the Yankees.

MacPhail was American League president for 10 years, then became the owners' chief labor executive in 1984.

As a member of the management negotiating team, he had been instrumental in settling the 50-day players' strike in 1981, and he was effective again in 1985, as the lead negotiator, in averting a lengthy work stoppage.

MacPhail's father, Larry, who was elected to the Hall of Fame in 1978, ran the Cincinnati Reds, where he pioneered night baseball in 1935; the Brooklyn Dodgers and the Yankees. His son, Andy, is president of the Chicago Cubs, and his grandson, also known as Lee, is the Cleveland Indians' scouting director.

Penn Unable to Hold That Tiger

By Thomas George
New York Times Service

PHILADELPHIA — No Ivy League team had stayed within 10 points of Princeton. None had weathered the Tigers' sharp shooting and crisp passing. None could contend with their switching defenses.

None could beat them. Pennsylvania certainly tried.

Penn collapsed in the first half, soared in the second and then wilted to Princeton in overtime, 78-72, before 8,722 frenzied fans here Tuesday night in the cozy Palestra. Pennsylvania (17-12; 10-4 in the Ivy League) finished its regular season with spirit and with grit and put a scare into Princeton and its fans.

But Princeton, the nation's No. 8-ranked team, showed why this has been one of its most special seasons. Its record is 26-1, and its league mark 14-0; it becomes only the 10th team to reach a 14-0 mark in Ivy League history.

It won a school record 26th game. It has won 19 consecutive games now; the last Princeton team to do that was the

1924-25 squad. Princeton heads to the NCAA tournament full of confidence and rested to the peak. And victorious in that test — a team full of staying power and mental toughness.

That was what it took to shake Pennsylvania.

Princeton won the first half on the strength of center Steve Goodrich, who finished with a game-high 33 points. It won the second half on the back of forward Gabe Lewulis, who finished with 18 points. And then it used the 1-2 punch of both to win in overtime.

In the first half, Pennsylvania looked dead. It looked tentative and did not take advantage of its inside game and watched the Tigers more than it shoved them aside in falling behind, 37-24.

In the second half, however, Penn made it a game. A hot one. A good one. It forced the action. It fed the ball inside, nudging Goodrich and inducing him into foul trouble. And it made more shots. Late in the half, it had made 12 of 20 free shots and 10 of its 12 free throws. It made only three turnovers and that helped the Quakers turn the game around.

Pennsylvania won the second half, 42-29, and forced the game into a 66-66 tie and into overtime. The final few minutes of regulation were frenetic. It looked great for Penn in the final seconds when it got three shots — including two close put-back attempts — where the third try finally fell. Guard Matt Langell scored the basket and Penn led, 66-65, with 40 seconds left.

But there were 12.1 seconds left when the Tigers ran their famous backdoor play and sprung free forward James Mastaglio. He missed the basket, was fouled and then hit his first free throw. Game tied at 66-66. He missed the second, however, and Penn raced down with the final shot of regulation. Its best attempt proved to be an off-balance try that had little chance and off to overtime both teams went. Penn's chances there proved even more futile.

For Princeton's coach, Bill Carmody, the victory was especially sweet. He became only the seventh coach in Division I history to win 50 games in his first two years. And he is now a perfect 28-0 in Ivy League games.

Butler and South Alabama Win Titles

The Associated Press

Butler did it. So did Valparaiso. And South Alabama, too, but with more intrigue.

For the second straight season, the Butler Bulldogs and South Alabama Jaguars played their way into the NCAA tournament by winning conference tournaments. Valparaiso, meanwhile,

COLLEGE ROUNDUP

made it three consecutive NCAA berths with a 67-48 victory over Youngstown State on Tuesday night in the Mid-Continent Conference title game.

At Green Bay, Wisconsin, Matthew Graves scored 18 points and Otis Frazier added 17 as Butler beat Wisconsin-Green Bay, 70-51, to win the Midwestern Collegiate Conference title.

"Our idea was just to try to be in the face of the shooter every time they turned," Butler's coach, Barry Collier, said after his Bulldogs (21-10) held the Phoenix to 32 percent shooting.

At Moline, Illinois, Valparaiso (21-9) got 16 points from Bill Jenkins and 15 from Jamie Sykes in its victory over Youngstown State (20-9) to become just the eighth Division I school to win at least four straight conference tournaments. Kentucky holds the record with seven in a row.

"I've enjoyed the ride," said the Valparaiso coach, Homer Drew.

At Lafayette, Louisiana, Toby Madison bit a 12-foot jumper with 40 seconds left as South Alabama (21-6) held off Southwestern Louisiana, 62-59, in a furious finish in the Sun Belt Conference tournament final. The Jaguars withstood

a 17-3 run that pulled the Ragin' Cajuns even at 59-all with 1:07 left.

Also, No. 8 Princeton, which clinched the Ivy League title and an NCAA berth Friday night, beat Penn, 78-72, in overtime in their final regular-season game.

Elsewhere, Eastern Michigan beat Ball State, 93-92, in overtime, and Miami, Ohio, beat Kent, 64-59, in the semifinals of the Mid-American Conference tournament.

Howard beat Bethune-Cookman, 79-77, in the first round of the Mid-Eastern Athletic Conference tourney.

In first-round games at the WAC tournament, Tulsa defeated Brigham Young, 59-56; SMU topped Colorado State, 76-71; San Diego State beat Wyoming, 60-57, in overtime, and UNLV defeated Hawaii, 64-59.

CROSSWORD

ACROSS

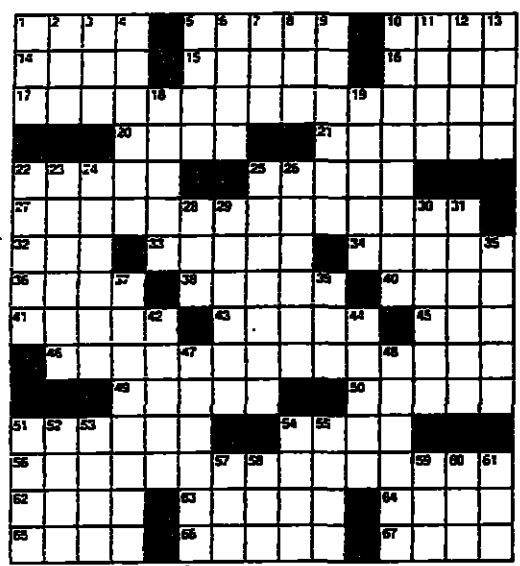
- 1 Composer Khachaturian
- 5 Starting letters in military code
- 10 Asian holidays
- 14 Electronics giant
- 15 It may be sweet
- 16 Indian tourist town
- 17 "George on My Mind" composer
- 20 B.P.O.E. cousin
- 21 Any of the Furies
- 22 Circumspect
- 23 Serf
- 27 War admiral under Charles I
- 32 O.R. personnel
- 33 Nasal partitions
- 34 Where to make waves
- 36 Half brother of Hermes
- 38 Deep-six
- 40 Thou-shalt-not
- 41 Thousand island alternative
- 43 Outfit
- 45 Jack of "Barney Miller"
- 46 More than fans
- 49 Skips

Solution to Puzzle of March 4

REACT MEANS TARE
ENSURE AARON ONE
COUPDGRACE USA
ODEON TESTED
HUFFING LURIDLY
UNITES SERENE
LINES GLAND SAP
GOOD LODGE GURE
ONE BONE TOILE
SEINERS SOUTER
STINKER POSSESS
THESIS ERNST
ARC NOMOEGUERRE
GEL IMAGE PAINE
EWE SEVEN SUGAR

DOWN

- 2 Friend of Tigger
- 3 Literary snippets
- 4 1965
- 5 Old record label
- 6 It has two heels
- 7 On behalf of
- 8 Where to use a PIN
- 9 Guard
- 10 Papeete resident
- 11 First governor of Alaska
- 12 Rare truck-taker
- 13 "Do the Right Thing" pizzeria
- 18 Is wildly unstable
- 19 Toots one's own horn
- 20 Molt-repellent wood
- 23 70's-80's All-Star Toby
- 24 Leblanc's Lupin
- 25 They may be mad
- 26 Passes
- 28 Stoked
- 29 Tap
- 30 Comparatively contiguous
- 31 A student's conferral
- 32 Lasso loop
- 37 Viewed more text, perhaps
- 38 "Say what?"
- 42 Similar: Prefix
- 44 Ship of 1492
- 47 Advantageous to both sides
- 48 Not as good
- 51 Cabaret singer Sylvia
- 52 Shade of blue
- 53 "Ye" follower, sometimes
- 54 One with a handle
- 55 "Jake's Thing" novelist
- 57 Mau-to-Hawaii dir.
- 58 Olympics chant
- 59 Steamed state
- 60 "Henry & June" role
- 61 Kind of user



© New York Times/Edited by Will Shortz.

Salo's 34 Saves Give Islanders a Victory

The Associated Press

Tommy Salo redeemed himself after a poor outing by stopping 34 shots to lift the New York Islanders to a 3-1 victory over the Philadelphia Flyers.

Salo, who started his 12th straight game Tuesday night, admitted he was not at his best in New York's 5-4 loss Sunday to the Boston Bruins, but it was his goaltending that helped stop a three-

NHL ROUNDUP

game losing streak for the Islanders and extend their home unbeaten streak to five games over the Flyers (4-0-1).

New York got goals from Sergei Nemchinov, Zigmund Palffy and Robert Reichel. Rod Brind'Amour scored for Philadelphia.

Garth Snow stopped 21 shots for the Flyers.

Snow was chosen to start after Ron Hextall lost for the fifth time in six games in a 4-3 loss Monday night in New Jersey.

Bruins' Capitals' Jason Allison had two goals and an assist, and the Bruins' backup goaltender, Rob Tallas, made 23 saves as visiting Boston beat Washington.

The triumph allowed Boston to

stretch its unbeaten streak to four games (3-0-1) and jump over the Capitals and idle Montreal Canadiens into fourth place in the National Hockey League's Eastern Conference. It was the second straight time the Capitals were shut out. They were beaten 3-0 on Sunday by Buffalo.

Sergei Samsonov added a goal and Dimitri Khristich had three assists for the Bruins, who won despite playing with only five defensemen. But Washington, which has dropped five straight games and is winless in six, could not take advantage of Boston's predicament.

Blues' Blackhawks' Pavol Demitra had a goal and two assists as host St. Louis continued an offensive surge with a victory over Chicago.

The Blues have been making things comfortable for Jamie McLennan, the replacement in goal for the injured Grant Fuhr. St. Louis has scored 16 goals in his three starts since Fuhr went down for a month with a knee injury in the first game following the Olympic break and has a nine-game unbeaten streak (7-0-2).

St. Louis, which got three power-play goals, has won five of six overall. Demitra has two goals and six assists

in his last four games for the Blues.

Flames' Lightning 1 Tommy Albelin, who last scored on Nov. 20 against the Florida Panthers, recorded his second goal of the season to lift Calgary over visiting Tampa Bay.

Albelin broke a 1-1 tie at 12:31 of the second period, with the Lightning's Stephane Richer in the penalty box for interference and misconduct.

Tampa Bay's Darcy Tucker tied the game at 1-1 early in the second period. Calgary's Cory Stillman scored his 19th goal of the season and 100th NHL career point at 11:39 of the first period on a setup from Theo Fleury.

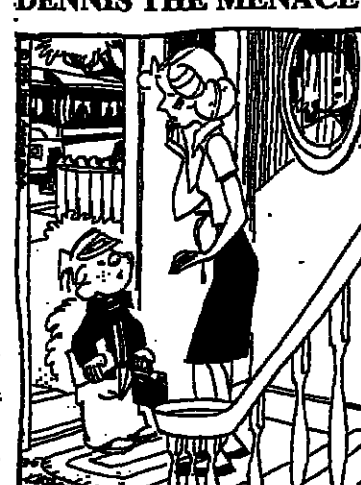
Stars' Rookie Goaltender Honored

Roman Turek, the Dallas Stars' backup goaltender, is the NHL's rookie of the month. The Associated Press reported.

Turek won all three games he started last month, posting a 0.67 goals-against average with a .972 save percentage. In 16 games this season, the 27-year-old Czech is 9-5-1 with a .909 save percentage.

The Stars' goalies — Ed Belfour, Turek and Emmanuel Fernandez — have a combined 1.94 goals-against average, tops in the league.

DENNIS THE MENACE



"IS TODAY MARCH OR THURSDAY?"

JUMBLE

Puzzle of March 4

Puzzle of March 4

Puzzle of March 4

Puzzle of March 4

Puzzle of March 4

Puzzle of March 4

Puzzle of March 4

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PEANUTS



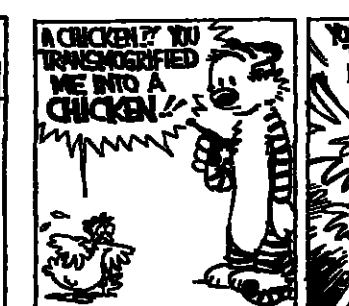
IT'S NOT RAINING HARD..



REMEMBER "THE RAIN FALLS ON THE JUST AND THE UNJUST"



AND ANYONE PLAYING RIGHT FIELD..



A CHICKEN? YOU MISUNDERSTOOD ME INTO A CHICKEN!



YOU WERE SUPPOSED TO TURN ME INTO A PHOENIX, YOU MISUNDERSTOOD!



ALL YOU HAD TO DO WAS THINK OF A PHOENIX! WHY DID YOU THINK OF A CHICKEN??



IT'S ALMOST LUNCHTIME



OH, I SEE! WE'LL GO TO THE HOTDOG!

GARFIELD



STOP ME IF YOU'VE HEARD THIS ONE



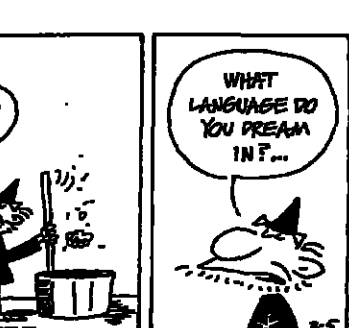
AN OSTRICH WALKS UP TO A FARMHOUSE WITH A MONKEY UNDER ITS WING...



HEARD IT



DO YOU INTERPRET DREAMS?



SURE!



WHAT LANGUAGE DO YOU DREAM IN?



NEVER MIND...

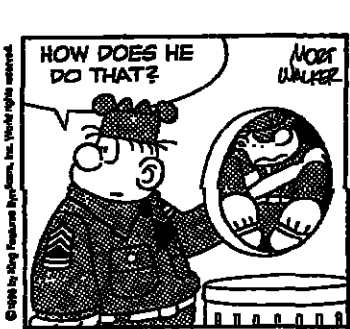
BEETLE BAILEY



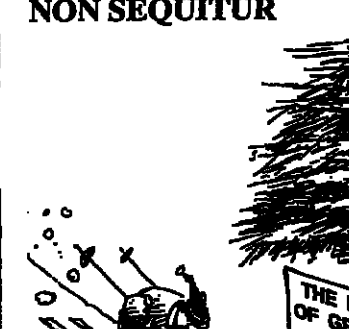
BEETLE THINKS HE'S GOING TO HIDE FROM ME IN THAT CAN



HE'S GONE!



HOW DOES HE DO THAT?



NOT UNDER.

BLONDIE



DAGWOOD, WAKE UP... IT'S COFFEE BREAK TIME

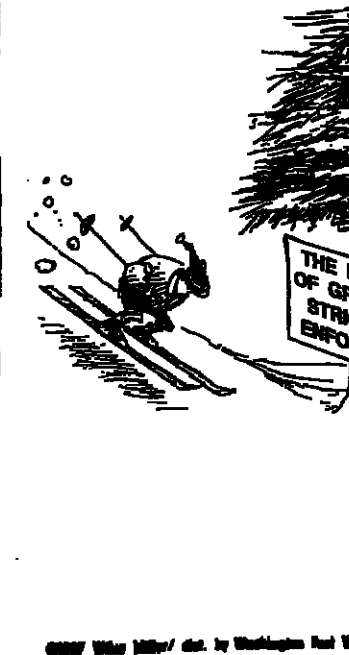


OH, NOW IS IT THAT LATE ALREADY?



THE DAYS JUST AREN'T LONG ENOUGH

NON SEQUITUR



DOONESBURY



DOONESBURY



DOONESBURY



ART BUCHWALD

The Art of Leaking

WASHINGTON—O.K. I'm going to let it all hang out. I know Sidney Blumenthal, Ken Starr's key witness in the Whitewater case. It was Blumenthal who told reporters, "A river runs through it."

I can't claim that Sidney is an intimate friend of mine. I never played golf with him, nor did I ever ask him to get my daughter a job.

But I did meet him once at a Georgetown dinner party. He didn't look like someone who would leak White House stories to the press—but then again, leakers never look like they are supposed to.

I didn't give Sidney the respect I should have because I didn't realize he would become famous someday as a source of information to some of the top publications and

TV networks in the country. But after dinner I realized he was much more than he seemed to be. Under the table he handed me a clipping from The Washington Post saying that several of Starr's lawyers were nerds.

"Where did you get this?" I asked.

"I can't tell you," he said. "But for heaven's sake don't tell anyone I gave it to you."

During the lasagna course Blumenthal slid an article from The Wall Street Journal under my plate. It revealed that while Starr was still a special prosecutor he was making a million dollars a year from private practice.

I was astonished. "You really know how to dig up stuff on the other side," I told him. "I missed this in the Journal."

He handed me a brown envelope. "There are clippings in there from The New York Times and the London Daily Mirror concerning Starr's claim that he has the First Amendment on his side. We'll hang him with that one," he said.

□

I stuffed the envelope into my pants. I was so excited I couldn't let the brownies the hostess served for dessert.

That's the only time I saw Blumenthal, but I have a terrible fear he told the grand jury what he leaked to me. If things continue as they have been, I'll be called next.

My preference is to take the Fifth Amendment against self-incrimination, but that could hurt my friendship with Sidney.

Maybe I'll name other newspapermen who think Starr is engaged in a right-wing witch hunt. But then again, if I don't get immunity, maybe I won't.

Piccolo Teatro Gains 'National' Status

AGENCE FRANCE-PRESSE
MILAN—The Piccolo Teatro, founded by the late Giorgio Strehler, has risen to the rank of national theater, Italy's culture minister, Walter Veltroni, has announced.

Next Monday, the theater—whose new venue was finally inaugurated in January after protracted wrangling over finance—is expected to be given a new board of administrators. Veltroni said. Local officials, who have controlled the theater's finances, had opposed the transformation into a national theater, saying they feared the consequences of state control.

Stanley Crouch: Verbal Assault in First Degree

By Paul Hendrickson
Washington Post Service

NEW YORK—Stanley Crouch will assault you right up front with advertisements for himself. Thus, the first sentence in the introduction of his new book: "I want to keep the velocity of my exchange with the world at a high pace because I am now at a point where I feel right in the middle of our time, our era, our age."

The self-regard gets a lot more rank than that. This is a 250-pound literary bull, and, like Mailer in his prime, and Hemingway before him, he is snorting and pawing and thrashing around in the word-games, daring you to dislike him. Why, he'll buck you right off.

He tends to savage anybody. He once called Toni Morrison a writer with "no serious artistic vision or real artistic integrity." He said Spike Lee was a "nappy-headed Napoleon." He said Malcolm X was "the chief black heckler of the Civil Rights Movement." While his enemies—and there are plenty of those—claim that the targets of his attacks are overwhelmingly black and liberal, the closer truth and inspection of his work suggests that he's an equal-opportunity destroyer.

All in the name of improving America, mind you. For at bottom, Stanley Crouch, the writer and jazz aficionado, thinks of himself as a humanist, wishing only to bring us together. He would goad us to be better—that's his take. "It's not a matter of being combative," the 52-year-old cultural-cum-political critic insists. "It's a matter of telling the truth."

His fame-moment in America seems clearly here. He is a contributing editor to the New Republic. He is a founder of the Jazz at Lincoln Center program. He appears as a panelist on "The Charlie Rose Show." Five years ago they laid a MacArthur Foundation "genius" grant on Stanley Crouch.

Pauline Kael, one of his many fans and current blurbists, thinks of him as "almost scarily fearless" in being able to say what he thinks across all color faults and ideology divides. And yet, reading him, watching his moves, one gets the disquieting sense that Stanley is mostly about Stanley. It's as if he's discovered there's gold in them thar hills: cutting people badly and wittily.

In his new collection of essays, aptly titled "Always in Pursuit," Crouch tells us Madonna got "famous for appropriating every slut direction possible." He calls Alex Haley's "Roots" a "despicably fraudulent work that cashed in on the Black Power appetite for African ancestry." O.J. Simpson? At the time of the murders he "was handsome, charming, violent, and illiterate." Christopher Darden and Marcia Clark? "Those two—pressed by tabloid gossip into uncorroborated copulation—made sure they weren't walking home broke after this one."

And then there's Princess Diana, our homage of whom in



Crouch has unexpected opinions on a wide variety of subjects and people.

death last September, he says, was sickening. Really, it's we who are to be despised. Because, after all, the empty, vainglorious girl was but "that prize of the paparazzi who ended up one night in Paris as a poor young woman groaning her life away in a smashed up luxury car as the photographers licked her blood with their flash bulbs." Such tabloid-perfect riffs are pure Crouch. He's an intellectual, all right, but he likes it down there, where it's noir and dirty.

And yet, in the Diana piece, before he wrote that gaudy sentence, he wrote these sentences, which are not only true and lofty but beautiful: "Blood accounts for nothing. It doesn't guarantee brilliance or courage or sacrifice or anything of substance. It doesn't guarantee that you won't have any of those qualities either. Exceptional people are mysterious. They come from any place and every place, which is what our democratic conception fundamentally recognizes."

In a way, you could say that of the writer himself, who is up from the hardness of south-central Los Angeles, self-made, without a college degree, with a mother who endured and a father who put the needle in his arm and lived in penitentiaries instead of at home.

"I was closing in on 300," he says. He means pounds. But he's on a diet now—not that you'd know from the meal he just ordered in this crampy-trendy West Village café, around the corner from where he lives with his wife of several years, Gloria Nixon, a sculptor. (He has dedicated "Pursuit" to her, and the dedication takes up 15 loopy lines.)

Crouch first got America's attention with his writings on

jazz. But he has widened the lens to write about almost anything now. For years he was a well-known contrarian and provocateur and staff writer at the Village Voice—until that day in the office in the late '80s when he punched out a fellow writer. The cops were called. The next day he got canned. It's a rather small but famous moment in New York journalistic history.

Somehow, he seems to have ended up being friends with most of the former Voice colleagues he either baited or threatened to slam against a wall. "I remain fond of him," says the senior editor Robert Christgau, who used to edit a lot of his pieces. Christgau remembers their first encounter. The novelist Jamaica Kincaid had written an essay on Diana Ross. "He called me up and threatened to throw me out the window for publishing this piece," Christgau says.

Christgau thinks that one of the keys to understanding Crouch is that "there's always a certain kind of presentation of self in black street culture." But that once you get past the posturing and literary brawling, there's a charming guy inside, a pretty humanistic one, in fact.

The incident that precipitated the canning at the Voice was an argument over rap. Crouch thinks gangsta rap is one of the current plagues on America. It's created some kid millionaires and studio mega-millionaires at a terrible cost to the rest of us. "When anarchic, brutal, self-absorbed violent attitudes are projected as if they're O.K.," he says, trailing off. He despises "that kind of protracted rudeness, that kind of touchiness" that you see everywhere out there on the street nowadays.

For much more than a decade now, Crouch, known as a world-class talker, has been supposedly "finishing" the big landmark novel titled "First Snow in Kokomo," and the even bigger landmark bio of Charlie Parker. That one, begun around 1982, is reported to have gone through three different publishing houses.

But are these projects—along with his much-talked-of and in-progress TV miniseries history of jazz—really talked out, talked over, in the way Capote kept promoting and promoting, but apparently hardly ever wrote a lick of "Answered Prayers"?

Bull. He's heard the theories that he can't finish the big ones. "They say that," he says, smiling. "But then, more softly, 'Well, the basic thing is, quite frankly, no.' Then, 'They're going to be surprised.' He says the Parker book will finish this year; he has 400 pages.

The mini-series on jazz will be "mythic. Not true. Mythic." How's that? "Well, like John Ford did the cavalry," he explains. He intends to place the American Negro (he almost defiantly seems to employ the word "Negro" rather than "black") in his rightful place as part of American myth, right there with such icons as the Alamo, the frontiersman, the Civil War. "I have big designs—you know what I mean? I don't have small designs."

PEOPLE



Sean Connery and his wife, Micheline, at Time's party.

IN the crowded lobby of Radio City Music Hall in New York, the Reverend Jerry Falwell chuckled and whispered into Muhammad Ali's ear. A few feet away, Lee Iacocca and F. Lee Bailey smiled for a photo op. Staring down from the balcony above, Sharon Stone posed in a zebra-striped dress, not far from Louis Farrakhan. President Bill Clinton and Mikhail Gorbachev hadn't even arrived yet. "Somebody came in and said to me, 'Who is not here?'" said the diplomat Richard Holbrooke. Well, Pope John Paul II, for one. And Queen Elizabeth II, for another. Both declined their invitations. But if Time magazine's goal was to attract a helping of A-list celebrities to celebrate its 75th anniversary, it succeeded. Time editors had insisted that the gathering was intended to celebrate leadership and great leaders rather than serve as a glossy promotional event. But still, there seemed little doubt that the celebrity more than substance was the priority of the evening. As guests

arrived, Dr. Jack Keivorkian posed for photographers in front of Radio City as Raquel Welch stood nearby doing a television interview. Time was launched in 1923 by two Yale students, Henry Luce and Britton Hadden, as "a brief, readable chronicle of significant events."

A British interfaith leader has won the \$1.2 million Templeton Prize for Progress in Religion. Sir Sigmund Sternberg, executive committee chairman of the International Council of Christians and Jews, was honored for his work in Jewish-Christian dialogue and his establishment last year of the Three Faiths Forum to expand interfaith efforts to include Muslims.

A Polish government commission has come out against Michael Jackson's plans to build a \$500 million amusement park at an old military airport in Warsaw. The

commission said offering the airport to Jackson violated "good management," but Mayor Marcin Swiechicki said he would appeal.

Elizabeth Taylor will spend several more days in a Los Angeles hospital after doctors found a compression fracture in her lower back. Taylor fell Friday—her 66th birthday—at her home and originally

was diagnosed as having bruises of the back and hip, but doctors later found the fracture. No surgery was planned, Taylor's publicist said.

An art dealer who swindled Jack Nicholson and other clients out of more than \$2 million was sentenced to two years in prison. A U.S. District Court judge in New York rejected an appeal for leniency, saying

Todd Michael Volpe was "living high, wide and handsome" while he defrauded 16 people between 1991 and 1995. Volpe was also ordered to make restitution.

Andy Warhol's 1967 portrait of Nelson Rockefeller went on display at the state office complex in Albany, New York, that was built while Rockefeller was governor. The portrait is on indefinite loan to the state from his wife, Happy Rockefeller, who was governor from 1953 to 1973 and vice president from 1974 to 1977, died in 1979 at age 70.

Members of the Grateful Dead announced that they would reunite under a new name, the Other Ones, and play about 30 dates in June and July with Rusted Root and Hot Tuna. There will be no replacement for Jerry Garcia, who died in August 1995 at the age of 33.

Cameron Wins Producers' Award

The Associated Press

BEVERLY HILLS, California—James Cameron won the producer of the year title for "Titanic" at the ninth annual Golden Laurel awards ceremony of the Producers' Guild.

The awards recognize television and feature film producers. The producers of "Amistad," Steven Spielberg, Debbie Allen and Colin Wilson, received the Kodak Vision Award honoring "producers of vision," and Ken Burns received the television equivalent for "Lewis and Clark."

Clint Eastwood was honored with the lifetime achievement award in motion pictures.

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The World's Daily Newspaper

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China Slates \$1
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By Seth Faison

BRUNN—The leaders of China
are expected to spend \$1 billion
on an ambitious effort to stop
the economic crisis from derailing
the country's growth and the polit-
ical package that has come with it.
The plan is intended to
attract investment from the fall of
the economy and foreign investment.
The plan is expected to drop sharply this
month at the opening session of
China's legislature, an an-
nounced the spending plan would be
in Beijing. The plan would be
a major step in recent months as one
country after another fell into fi-
nancial troubles were at least as

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